Daily Report

Latin America

FBIS-LAT-91-152
Wednesday
7 August 1991

Daily Report
Latin America

FBIS-LAT-91-152 *7 August 1991*

CONTENTS

NOTICE TO READERS: An • indicates material not disseminated in electronic form.

INTER-AMERICAN AFFAIRS

Cuban Deputy Reports on Parliament Meeting *[Havana Radio]* 1
• Latin American Leftist Groups Meet in Mexico 1
• Cardenas on Cuba, Panama *[Mexico City LA JORNADA 13 Jun]* 1
• Seregni on 1994 Voting *[Mexico City LA JORNADA 13 Jun]* 2
• Lula Cites Nicaragua *[Mexico City LA JORNADA 14 Jun]* 4
• Panamanian Statements *[Mexico City LA JORNADA 15 Jun]* 5
• Address by Miret *[Mexico City LA JORNADA 15 Jun]* 6
• Declaration Issued *[Mexico City LA JORNADA 16 Jun]* 7

CARIBBEAN

Cuba

Continued Reportage on 11th Pan-American Games 9
Argentine Envoy Lauds Welcome *[Havana Radio]* 9
U.S. Athlete Praises Facilities *[Havana Radio]* 9
Results of Latin American Parliament Viewed *[Havana Radio]* 9
Venezuelans Demand End to U.S. Embargo *[Havana TV]* 10
CPSU Queries Decree on Political Activity *[Havana TV]* 10
Russian Communist Leadership Changes Reported *[Havana TV]* 10
Camaguey Communications Center Under Construction *[Havana Radio]* 10

Barbados

Editorial Views Bush's Middle East Challenges *[CANA]* 10
Economic Impact of IMF Accord Under Debate *[CANA]* 11

Jamaica

Leaders Make Independence Day Remarks 5 Aug *[CANA]* 11
New Governor General Pleas for National Unity *[CANA]* 12
Island Reports Improved Bauxite Production *[CANA]* 12

St. Lucia

Britain Accused of Impeding Tourism Growth *[CANA]* 13

Trinidad and Tobago

Police Investigating Claims Jamaat 'Regrouping' *[CANA]* 13
Government Denies 'Work Slowdown Effective *[CANA]* 13
IDB Finances Environmental Projects *[CANA]* 13

MEXICO

Assistant Attorney General Explains New Agencies *[Mexico City TV]* 15

CENTRAL AMERICA

El Salvador

FMLN Protects Killers of U.S Advisers *[AFP]* 17
FMLN Claims Responsibility for Kidnapping *[Panama City ACAN]* 17
* Announcement Decries FMLN 'Death Squads' *[DIARIO LATINO 17 Jul]* 17
Battle Reports for 30 Jul-4 Aug Detailed *[LA PRENSA GRAFICA 30 Jul, etc.]* 18

Guatemala

First Arrest Made in Homicide Chief Murder Case *[Mexico City NOTIMEX]* 21
Archbishopric Condemns Murder *[Mexico City NOTIMEX]* 21
Rebel Attack Causes Nationwide Power Outage *[Panama City ACAN]* 21

Honduras

Military To Request U.S. Envoy's Ouster *[Tegucigalpa Radio]* 22
Ministry Requests ONUCA Border Supervision *[Mexico City NOTIMEX]* 22
Unidentified Individuals Attack Italian Embassy *[AFP]* 23

Panama

Cuban Delegation Denies Supporting Subversion *[LA PRENSA 6 Aug]* 23
Endara Denies Colombian Guerrillas in Countryside *[Panama City TV]* 23
Further on Guerrillas *[EL SIGLO 3 Aug]* 23
Colombia Denies Arranging FARC Presence *[EL SIGLO 6 Aug]* 24
Government Asked for Canal Administration Plan *[LA ESTRELLA DE PANAMA 5 Aug]* 24
Report Predicts 'Chaos' in Canal Area *[LA PRENSA 5 Aug]* 25
Preliminary Plan 27
Arias Denies Announcing Candidacy for 1994 *[LA PRENSA 6 Aug]* 28
Former Defense Force Reportedly Organizes Group *[LA PRENSA 5 Aug]* 28

SOUTH AMERICA

Argentina

Reportage on Visit by Vice President Quayle 30
Menem, Quayle Sign Agreements *[NOTICIAS ARGENTINAS]* 30
Communique Released on Visit *[TELAM]* 30
Departs for Brazil *[NOTICIAS ARGENTINAS]* 31
Foreign Minister Explains Chile Border Agreement *[Buenos Aires Radio/TV]* 31
Interior Minister on Agreement With France *[Buenos Aires Radio]* 33
Menem Announces Transfer of San Justo Land *[BUENOS AIRES HERALD 5 Aug]* 33
Army Commanders Analyze Budget Effect on Forces *[NOTICIAS ARGENTINAS]* 33
Consumer Price Index Rises 2.6 Percent in Jul *[BUENOS AIRES HERALD 4 Aug]* 34

Bolivia

Further Reports on Visit of Uruguay's Lacalle 34
'Text' of Joint Declaration *[La Paz TV]* 34
Paz Zamora Evaluates Ties *[La Paz TV]* 36
Lacalle Analyzes Declaration *[La Paz TV]* 38
Paz Zamora on Guadalajara Meeting, Drug Problems *[Hamburg DIE WELT 5 Aug]* 38
Police Commander Announces Anticorruption Fight *[La Paz TV]* 42

Brazil

Rezek To Study Satellite Project in PRC *[Brasilia Radio]* 42
Economy Minister Urges Calm Amid Inflation *[Madrid EFE]* 42
Agriculture Minister Vows To Fight Squatters *[Brasilia Radio]* 43

Free Trade of Agricultural Products Demanded *[Brasilia Radio]* 43
Central Bank To Hold Auctions of U.S. Dollars *[Brasilia Radio]* 43
Petrobras Sells Bonds on Foreign Stock Exchange *[FOLHA DE SAO PAULO 30 Jul]* 44

Chile

U.S. Trade Representative Carla Hills Arrives *[Santiago Radio]* 44
President Aylwin Assesses Border Agreements *[Santiago Radio]* 44
Aylwin Apologizes to Menem for Newspaper Article *[Madrid EFE]* 44
Poll Shows Aylwin's Popularity Still High *[Santiago Radio]* 45
Government Not Implementing 'Real Transition' *[LA TERCERA DE LA HORA 26 Jul]* 45
Decree Issued on Sale of Psychotropic Substances *[Santiago Radio]* 45

Colombia

National Popularity Poll of Leftist Leaders *[Bogota Radio]* 45
EPL Members Said To Oppose Joining AD M-19 *[EL TIEMPO 29 Jul]* 46
CNGSB Sends Message During PCC Congress *[Bogota TV]* 47
ELN Leader Responds to Priest's Criticism *[Bogota TV]* 47
Columnist Questions 'Ambiguity' of M-19 *[EL TIEMPO 31 Aug]* 48
Battle Reports for 28 Jul-4 Aug 91 *[EL TIEMPO 31 Jul, etc]* 49
Losses During 1991 Due to Rebel Attacks Reported *[EL NUEVO SIGLO 31 Jul]* 49
* 1991 Coffee Exports Down 25 Percent From 1990 *[EL TIEMPO 24 Jun]* 50
* Consultants To Study Foreign Trade Bank Role *[SEMANA 11 Jun]* 50

Peru

Bolivian General Praises Disarmament Proposal *[LA REPUBLICA 25 Jul]* 51
Former President Discusses BCCI Scandal *[Lima TV]* 52
Petroleum Workers Join Teachers' Strike *[AFP]* 52
Authorities Claim 47 Guerrillas Die in Clashes *[Mexico City NOTIMEX]* 53
* APRA Infighting, National Assembly Discussed *[CARETAS 8 Jul]* 53
* Court Case on Uchuraccay Incident Dismissed *[EL NACIONAL 5 Jul]* 54
* Regional President Criticizes Fujimori, MRTA *[EL NACIONAL 8 Jul]* 54
* Leftist 'Revolutionary Forces' Hold Congress *[CAMBIO 27 Jun]* 55

Uruguay

Icelandic President Arrives for Official Visit *[Madrid EFE]* 56
Army Plans To Build, Export Military Equipment *[Montevideo Radio]* 56

Venezuela

Energy Ministry Announces Fuel Price Increases *[Caracas TV]* 56

Guyana

Hoyte Urges Party to Victory in Elections *[CANA]* 57
GUARD Drafts Program as Election Platform *[CANA]* 58
'Substantial' Increase in Wages Promised *[CANA]* 58

Cuban Deputy Reports on Parliament Meeting

PA0308152291 Havana Radio Havana Cuba in Spanish 0100 GMT 3 Aug 91

[Telephone interview with Deputy Zoila Benitez, vice president of the Cuban Parliament, by Julio Dominguez—live or recorded]

[Text] [Dominguez] Deputy Zoila Benitez, vice president of the Cuban Parliament, is in the Colombian city of Cartagena to take part in the 13th Conference of the Latin American Parliament.

Zoila, we would like you to tell us about the discussion of regional integration, the results of the Guadalajara Summit, and the so-called Initiative for the Americas of the President of the United States. The Latin American Parliament has discussed these issues over the past few hours.

[Benitez] Regarding Latin American integration, there is a consensus that it is necessary and that we cannot continue without integration. The Latin American Parliament has taken steps that I think will be very positive. The talks on this will continue today.

Concerning the Guadalajara Summit, all the parliaments have applauded the event. It was an important step and it has been proposed that the individual parliaments approve, encourage, and support the steps that their respective chiefs of state must take to produce true integration.

Concerning the Bush Initiative, there is a fairly generalized position on this. The common denominator in all the speeches is a lack of expectation in this regard. A group of countries, such as Mexico, Uruguay, and Cuba, have presented proposals on the Bush Initiative. There is much pessimism, but [words indistinct] I am interested in holding talks so that I will be able to give you information; the commissions should be reporting to the plenary session today.

[Dominguez] I understand that environment, drug trafficking and education issues are being discussed by four commissions. Is that correct?

[Benitez] That is correct. There is the Political Commission, the Economic Commission, the Education Commission and the Environment Commission.

The various parliaments have [words indistinct], in addition to a plenary session. At this session we are discussing interesting issues such as the readmission of the Panamanian parliament [words indistinct] after a period during which it was not participating. Today we will also discuss the admission of Haiti. Its delegates arrived this evening. The Parliament is also analyzing statutory modifications. The Latin American Parliament is 27 years old and its statutes had never been modified.

Yesterday, as well as today, we made important modifications to the statutes. Some have to do with the organizational aspect. The idea is to prepare the Latin American Parliament to allow it to function more expeditiously so that it can assume the role it should have these days.

The various commissions should be presenting their proposals to the plenary session today. It will be interesting if we can talk about the various discussions and agreements to be reached by the Latin American Parliament.

* Latin American Leftist Groups Meet in Mexico

* Cardenas on Cuba, Panama

91CA0190A Mexico City LA JORNADA in Spanish 13 Jun 91 pp 1, 12

[Report by Blanche Petrich, Marcela Aldama, and Carlos Fernandez-Vega]

[Text] The changes that Cuba needs to make (no one denies this) will have to be decided by the Cubans themselves, based on their own views of domestic and foreign policy, the leader of Mexico's Party of the Democratic Revolution (PRD), Cuauhtemoc Cardenas, contended yesterday in referring to the recent demand by U.S. President Bush for a change in the Cuban regime.

In opening the "Second Meeting on Latin America and the Caribbean vis-a-vis the International Restructuring of Hegemony," organized by the parties and movements of the Sao Paulo Forum, the PRD leader drew a parallel with the transformations that the Mexican political system requires. Our system has "severe limitations; just look at the election of July 1988; just look at the more than 100 PRD members who have been murdered, and all those other violations of rights and laws under an arbitrary and corrupt system. But we would be the last to call for and the first to put up stiff, resolute resistance to having the bayonets of the Marines or any others come from the outside and set in motion our transition to democracy. This is our affair, just as changes in Cuba are and will have to be the affair of the Cubans."

Cardenas emphasized that Latin America "still has an open wound: Panama. The U.S. invasion of December 1989 brought the death of several thousand men and women, children, adults, and elderly persons, mainly in the capital. It also imperiously imposed a colonial regime with U.S. military officers heading the administrative offices and a puppet government."

From this site, he said, "and I am sure that I represent the feeling of the delegations in attendance, we are once again demanding the immediate withdrawal from Panama of the occupation forces, reparations for the damages caused by the U.S. Government, and guaranteed conditions so that the citizens of Panama can in freedom elect a government that represents them legitimately, a national, Panamanian government that brings the country back into the Latin American community."

As for Cuba, Cardenas noted that "deep concerns once again trouble us, as the various voices that have spoken

out in recent years to demand changes in that country's political system have now been prominently joined by that of President Bush." He went on to say that "this new call by Bush comes very close in time, by the way, to the request that Cuba filed with the Economic and Social Council of the UN to evaluate the effects of the blockade that the U.S. Government has imposed on the Caribbean country for so many decades."

This blockade, the PRD leader said, is not only preventing the flow of merchandise, medicine, and food but has also been accompanied by warlike harassment that has unquestionably imposed limitations on economic and social development.

"Are changes needed in Cuba? No one doubts that, as would be the case in any country. But what changes, what priorities, achieved through what procedures? Many, perhaps most, of the voices from various nations and at different times that have said that changes were needed in Cuba's internal situation have done so with the sincere concern of those who have shared its anxieties and yearnings and have furnished unqualified support at the toughest times for the Cuban Revolution and would like to see the transformations that will bring economic, social, and political progress happen more quickly, both to achieve an overall improvement and to relieve pressures on the inside and the outside. This is what we would all like and we agree on this, I am sure, with broad segments of the population and the revolutionary movement of Cuba."

Cardenas added: "In this struggle that we are also waging against intervention and for full respect for self-determination, let us not lose sight of the fact that, regardless of what we as friends of Cuba may think, it has to be they, the Cubans themselves, based on their own views of domestic and foreign policy, who exercising their sovereignty as a people are going to decide where they are headed and the pace that they will impart to the transformations of their political institutions, their economy, and their social life. Throughout their history they have shown the capacity to resolve their problems. Today there are six million Cubans under arms, with access to military, combat, defense hardware; this is the case with no other nation on the continent. This is an effect of the blockade and the military harassment and, at the same time, of the confidence that the people have in their own capabilities."

He demanded an end to the blockade against Cuba, the suspension of U.S. military flights over Cuban territory, the withdrawal of U.S. troops from the Guantanamo Naval Base. He called for "the start of talks, the seeking of a political understanding so that economic, cultural, and technological cooperation can come about, so that exchanges with the Cuban communities that have grown outside the country can multiply."

Moreover, Cardenas said that years of military dictatorships, of authoritarian governments, of corruption, of civil war, years "that have not yet ended," as well as the worsening of economic crises, the mounting impoverishment of the masses, the neglect of education and social problems "have, among other things, inhibited the development of a political culture and the organization of Latin America's low-income sectors."

Nations, he noted however, "have begun to react. There is an increasing awareness of the situation that they are in, of its causes, and there are increasingly broad organizational efforts to act in movements that are taking shape ever more clearly as real government alternatives. Major battles have had to be fought after preparations that were known to be inadequate. Some victories have been won, the most significant, perhaps, being the no vote [anti-Pinochet plebiscite campaign] in Chile and the Lavalas Movement of President Aristide in Haiti. These are just the first steps in those nations on a march towards emancipation and democracy. There is a long road yet to travel."

In other cases, Cardenas added, the main objective has not been achieved, "but a far-reaching change compared to the past has been made. The movements in Brazil, Mexico, Colombia, and Uruguay, after tough electoral struggles, have been kept alive and are growing, preparing for new battles under better conditions. All over the continent efforts at unity are being made; convergences are coming about, and old and new differences are being overcome in response to the demands of peoples to fashion strong, useful, and efficient instruments of action that embody the principles of nationalist struggles, modernize objectives and methods of action, and offer political proposals that will bring together the forces that will finally create the conditions for progress and triumph."

He noted that the progressive organizations face an enormous challenge: "To respond with intelligence and resolve to the trust that vast low-income segments of the continent have placed in us. Adhering to our principles, faithful to our commitments of struggle, with tenacity in action and confidence in the creativity of our peoples, we will be paving the way for a 21st century that in Latin America and the world will be one of progress of well-being, of equality, brotherhood and peace."

In the afternoon the delegates began assessing developments over the past two decades in the realms of democracy and dictatorships, the social and economic conditions of democracy, its institutional framework, human rights, sovereignty, nonintervention, and education for democracy.

* Seregni on 1994 Voting

91CA0190B Mexico City LA JORNADA in Spanish 13 Jun 91 pp 1, 13

[Report by Alejandro Caballero]

[Text] Latin American integration "is necessary to confront the neoclassical-liberal model and to forge our own destinies." In this context, "the Initiative for the Americas" that U.S. President George Bush has proposed represents not the interests of the continent but his own," stated Liber Seregni, who has run for president of

Uruguay twice and is the leader of the Broad Front, the country's main opposition force.

"The task of the moment is to confront this neoconservative model with an alternative proposal that includes the economic and social development of our countries, that meets our people's needs," he said.

He said that we need "to change the correlation of forces to have bargaining power. To bargain bilaterally with the United States is to be at a disadvantage," he stated.

Seregni is a retired general who spent more than 10 years as a political prisoner during the Uruguayan dictatorship; he is the leader of the Broad Front (FA), which governs the capital, Montevideo, where half of the country's population is concentrated, and he is attending the Second Forum of the Political Movements and Parties of the Sao Paulo Forum, organized by the PRD. He argues that "the great tragedy of Latin America is dependency, poverty, hunger, and the foreign debt."

He declared that the "specter of the military boot has not been completely banished from Latin America. Yet the problem now is the assault and offensive of the neoclassical-liberal model."

He acknowledged that the progressive and leftist forces of Latin America "have not yet managed to fashion a model that is an alternative to the neoclassical-liberal one." He added, however, that "we are doing this. This is our great task."

Seregni admires the heroes of the Mexican Revolution like Emiliano Zapata, Francisco Villa, and more recently, Lazaro Cardenas. "We in Uruguay experienced the oil expropriation here (pointing to his head) as a triumph of Latin American sovereignty." He said that the invasion of Panama and its military occupation "are an open vein" for Latin America. He contended that in the case of Cuba, "above and beyond the disagreements that one might have with the regime on the island," there is a principle, "an unquestionable one for us, called the self-determination of peoples."

Seregni, who has headed the Broad Front for 20 years, ruled himself out as the group's presidential candidate in 1994. "We have to be aware of biology, of age. I am 75 years old; by the election I will be 79, with a five-year term ahead of me. I do not think so," he stated.

"Has the specter of militarism, the era of armed forces governments, ended for Latin America?"

"We cannot say that so categorically. In the 1970's Latin America was swept by a wave of authoritarian governments, specifically military ones. From north to south on the continent not a single country was an exception to this development. Yet the decade of the 1980's was one of democratic restoration."

"So does the specter of the military boot persist?"

"Latin America's great tragedy is dependence, poverty, hunger, the foreign debt, and underdevelopment. The terrible conditions in which millions of our fellow Latin Americans live are always a breeding ground. Social instability always calls for authoritarian governments and the intervention of the Armed Forces. I am not saying that the armed forces are evil in and of themselves, but rather because, well, they are called in at times by the forces of the right and the reactionaries.... What we must acknowledge is that we are going through very serious times. The great threat to Latin America is poverty and hunger. This could destabilize the democratic task in our countries.

"The other fact that we have been seeing in Latin America in recent times and that is throwing all of its weight around now is the offensive by neoclassical-liberalism with its policy of the marketplace, with its policy of reducing the role of government, and with its privatization policy that is calling on precisely these sectors to be the major allocators of resources. Not only will this not solve Latin America's problems; it will make them worse. And it will make them worse because the countries of Latin America, though we may not like the words, are to a greater or lesser degree dependent economically, with the concurrent political dependence that this entails. We are underdeveloped. At times we hide this by saying that we are developing countries, but the truth of the matter is the former."

Seregni, who was in Mexico in the 1940's and who learned from jail of the asylum that Mexico gave his fellow countrymen and of the building of international solidarity with him from our country, went on to say:

"The reality of underdevelopment is what we must change if we want to solve the problems of our peoples, to exercise sovereignty fully at all levels, and to forge our own destiny and future. And this necessarily demands sundering the bonds of dependency, fully achieving the sovereignty that we never had during the colonial era, and attaining self-determination in the fullest sense of the word."

"This is the task of the moment. And it means confronting the neoconservative model that is pervading our countries with an alternative proposal. A proposal for economic and social development that arises from our people and meets their needs."

To Seregni, all of the above "is predicated on Latin American integration in the economic, social, and cultural arenas. This is what is going to enable our peoples to travel the roads of their second and final independence."

"Does the economic integration that you propose include the United States?"

"When I speak of our destinies, I am speaking of the integration specifically of Latin America. Of course Latin America and each of our countries cannot live alone and in isolation. They need to cultivate relations of all sorts with the rest of the world, and of course with the United States, but also with the European Common

Market, with Asia.... It is just that we have to integrate Latin America in order to change the correlation of forces and have bargaining power, because in a bilateral negotiation with the United States we are not in a position to compete or to bargain freely because the relationship is not one of equals. Nothing positive would be achieved. Only in unity will we have strength."

"So what is your opinion of the 'Initiative for the Americas' that the Bush administration is proposing?"

"Bush's initiative is an initiative for North America, not for the Americas, and accordingly it does not serve Latin American interests; it does not resolve the problems of shattering the bonds of dependence and attaining full sovereignty. On the contrary, it would prolong our current status of dependency...At this time of the opening of large economic spaces, the U.S. proposal tends to strengthen the potential hegemonic power of the United States, and this is of no use to our countries."

At another point in the interview Liber Seregni stated that "with minor differences the countries of Latin America have a series of general traits and similar woes. We agree on the problem of the foreign debt, hunger, the vulnerability of vast sectors of our fellow citizens, although there are differences between one country and another.... For example, when speaking of my country, I say that we live under democratic institutions, that the current government is the result of free elections, as is the case in most of countries in the area; but this does not mean that we live in a full democracy. We live under democratic institutions, but democracy means above all else social peace; democracy demands, above all else, social justice. Without justice there is no peace; without peace there is no democracy.... The struggle then is to give our ignored, vulnerable compatriots what they need. We are in a period, I think, in which full democracy can be achieved in Latin America."

"1994 will be a crucial year for the democratic transition in Latin America, inasmuch as there will be presidential elections in Mexico, Brazil, Uruguay, and Argentina...."

"Yes, I think that the times in which we are living are of unique significance; they are very dynamic. This reaction is imposed by history, not the calendar. In this decade and especially in 1994 we must decide whether we Latin Americans will forge our own future or whether we will be frustrated once more."

* Lula Cites Nicaragua

91CA0190C Mexico City LA JORNADA in Spanish 14 Jun 91 p 10

[Report by Blanche Petrich]

[Text] Setbacks for the Latin American left? "No way."

Luiz Inacio Lula Da Silva categorically rejects this view. "It has won in Montevideo, Asuncion, Sao Paulo, Porto Alegre. It is making headway in Colombia, in Mexico. It has not gained as much ground as we would like, but the gains are huge, when we recall that the left began to go the electoral route just a short while ago. And its results at the polls have not been bad."

The left that the leader of Brazil's Labor Party (PT) sees gaining ground on the continent "currently has a clearer view of its role. It believes in democracy as a fundamental value. It practices democracy both in the opposition and in government. A left that has a more objective view of power, of alliances."

These political forces, he predicts, "are the ones that are going to predominate very soon in Latin America."

These are the words of a lathe operator in a factory in San Bernardo do Campo near Sao Paulo, a man who had four years of primary school and three years of technical secondary school, who never studied Marxism and is a Catholic. He is speaking against the ideas of most of his fellow party members. As the head of the Union of the Metalworking Industry in the Sao Paulo industrial belt, he organized the major strikes in the automotive industry from 1978 until well into the 1980's. He is the leader who in October 1989 almost beat out Fernando Collor de Melo as president of Brazil.

"But there have been setbacks for the left: Peru, Nicaragua, and Central America in general, Panama...."

"No, they are not all setbacks. Nicaragua, no way. The Sandinist Front won 45 percent of the votes in the first election in its history, without any electoral experience. They were beaten but they are making headway. Elsewhere, the complications are different. And in El Salvador, in Panama, well, the elections there were held under unnatural conditions."

The movement that "Lula" heads is perhaps the most impressive experience in the nontraditional politics of the left on the continent. His organization, his ideas and actions, and his personal style are expressions of a new way of practicing politics.

"He asserts: "Few leaders spend more time than I do at the gates of factories, talking with the workers." He adds: "Everything that I learned about politics and what I represent to the Brazilian electorate is due to the fact that I have always kept very close ties to the workers. From 1972 to 1980, when I was a labor leader, I spent 80 percent of my time at the gates of factories. Now, as a political leader, I still go there as much as I can."

He recalls that his party, the PT, which was born in 1980, is "very much linked to the union rank and file that have staged the big strikes since 1978." It was born amid a major mobilization of churches, unions, intellectuals. "This is where the new development in Brazil lies. We managed to get the working people to understand that they can have influence in politics. And from this an even bigger complication emerged: What program are we going to put before the people?"

"This is much more complicated. And our movement had to mature a great deal. When people are very hungry,

they think with their stomachs, not their heads. They put first things first. People want to have lunch, dinner, drink coffee. The left has to learn this and think from this angle. The left tends to be very much in the vanguard, with very well articulated ideas. But it does not stop and think whether people are understanding them. For years the leftists knew everything that was happening in France, Czechoslovakia, what happened in Lenin's life, but they did not know what was going on in the outskirts of Sao Paulo, Mexico City...."

Thus, the pillar of the PT was organized labor, and the birthplace of the movement was factory gates. Lula discusses this experience:

"Our traditional leaders taught us that a worker must work, applaud his leaders, and perhaps put up the microphones for a rally. But he does not know how to engage in politics. We began to put the idea in the workers' heads that they had to engage in politics, that they had to organize with the idea of governing the country some day. This is not easy. Workers are not interested in politics. But when their interest is aroused, and they start giving priority to the idea of taking power, a fantastic change comes about. Organized labor is a major power in such a trend. With a democratic union the workers tend to be combative. When there is a company union, the workers are passive."

With this work behind it and with the vast support of all segments of society, the PT conducted its big election campaign of 1989, which almost enabled it to take power. It did not succeed.

"It was a nationwide shock. And a great frustration for the workers, which was very hard to overcome. It helped us to mature. Today we realize that we were not bold, daring enough. One of our mistakes was not to repeat the alliances that we made in 1979. All we have to do in 1994 is repeat our effort. And then we really are going to win."

"And what if Lula had won?"

"Brazil would be much better off than it is now. Because we have a different view of society, of what the economy ought to be, of the debt, education, agrarian policy. This is why I can say that."

Not all Latin American countries have had a similar experience, although, the Brazilian asserts, "it is possible everywhere to repeat a grassroots experience like this one."

"You have said that in Eastern Europe it was the socialist bureaucracies, not capitalism that defeated socialism. In what way does the legacy of these bureaucracies weigh on the Latin American left?"

"There are many leftist parties in the region in which the decisions of the leadership are the law. We have a single watchword for our next congress: it is prohibited to prohibit. To many leaders the rank and file are nothing more than masses to be manipulated. They have forgotten a fundamental value, democracy. There are those who think that elections are just a method of bourgeois democracy. They are never going to win. They have forgotten about modernizing themselves. There are leaders who have been presidents of their parties for 50 years. I have been in for 10 years and already I am tired."

* Panamanian Statements

91CA0190D Mexico City LA JORNADA in Spanish 15 Jun 91 pp 40, 10

[Report by Blanche Petrich]

[Text] The social unrest that is jolting Panama again today stems from a slow reaction against the invasion and the government of Guillermo Endara that it imposed. "Slow perhaps, but it began on the first day of the occupation."

Ramiro Mezquita and Juan Hernandez, leaders of Panama's PRD [Democratic Revolutionary Party] who are in exile in Mexico, assert that many of the people who are protesting today against Endara and the invading army are the same ones who in December 1989 brought out American flags and kissed the Marines as liberators.

"They thought that the answer to their economic problem had arrived. Misled by the Catholic hierarchy, they saw the invasion as a liberation. But the answer has not come. Nor will it. There is no economic recovery because the Bush administration has not sent in the dollars. And it is not going to, because Panama no longer interests it. So the people feel cheated and are reacting."

Mezquita and Hernandez were accused a few days ago by the minister of the interior and justice, Juan Chevalier, of belonging to the "Aztec group of the Panamanian PRD that from Mexico has fomented protests by Panamanian students, retirees, the unemployed, and workers as part of a conspiracy." Mezquita and Hernandez just laugh. "We do not want to topple Endara. He is falling on his own."

They attach no importance to this charge. "It is sheer brazenness. Endara's civilians spent five years in Washington conspiring against their country, calling for an invasion. The political work that we are doing in Mexico involves disclosing the symptoms and effects of the U.S. invasion."

The two Panamanian leftists attribute the recent wave of unrest that has been jolting the capital in recent days to the military occupation, which at the time was called "Just Cause."

"I see it this way," Mezquita remarks. "The phenomenon of Panamanian anti-imperialism is neither political nor ideological. It is social, historical. The problem of our national identity is reflected in it. The man in the street is familiar with the embodiments of imperialism who walk around his neighborhood and go to its taverns, who are vulgar, loutish rapists. This is what the troops of an occupying army are like. The Americans are no exception."

Hernandez goes on to say: "So, a year and a half after the invasion, the Panamanian in the street is already beginning to shout at the U.S. soldiers as they drive by in their armored 'Homer' jeeps: 'You Gringo son of a bitch.' Why? For three reasons:"

"One, Panamanians have seen that this government is incapable of governing. They realize that they handed over everything in exchange for nothing, that the dollars they hoped for are not coming in. Two, what existed under Noriega was not really a dictatorship but a military government with a component of a grassroots movement. People are starting to compare. There used to be transportation. It was bad but it was there. Today no one takes care of that. Three, people are not stupid. They realize that Endara's government is isolated. And the government itself created the isolation because Endara has been picking fights for no reason with Mexico, Panama, the Rio Group."

Mezquita speaks up again: "And on top of all that, he ignores a recommendation from Vice President Dan Quayle to legitimize himself through elections shortly after taking power. He thus also missed an opportunity to win. Because I can assure you that right after the invasion, if elections had been held, he would have won. Today his popularity has declined so much that he would no doubt lose."

"Where is the grassroots movement that is protesting against the regime today coming from?"

Hernandez explains: "It is the sum total of unrest, spontaneity, and the desire to organize. It began as a disorganized expression of the unemployed, students, and labor leaders. The student sector is very significant here. It has historically been a combative, involved sector, but 5 years ago it became dispersed and disorganized. It is now starting to reorganize. In fact, many sectors are taking to the streets in response to the students' call. But in general it is a movement without a vanguard."

* Address by Miret

91CA0190E Mexico City LA JORNADA in Spanish 15 Jun 91 pp 40, 6

[Excerpt] [passage omitted] In one of the most anticipated speeches at this forum, the vice president of Cuba and member of the Politburo of that nation's Communist Party, Pedro Miret, indicated yesterday that Washington's boycott of his country is a universal boycott, as it is pressuring governments and businessmen to suspend their ties with the Havana authorities.

He also said that the fall of the socialist regimes in Eastern Europe and the chaotic conditions in Cuba's main partner, the Soviet Union, have had a heavy impact on Cuba's economic situation.

He added that the "special peacetime period" instituted by the government of President Fidel Castro is enabling the country to husband its scarce resources.

He cautioned that the United States is starting a disinformation campaign against the Cuban revolution similar to the ones that it has launched against other nations that have been militarily invaded.

Washington, Miret asserted, is making every possible effort to remove the mercenary uniforms from the Bay of Pigs invaders and portray them now as democratic groups in Florida.

"U.S. meddling and interventionism is a constant in the life of all nations in Latin America and the Caribbean" and represents one of the major obstacles facing the progressive and leftist forces on the subcontinent, he asserted.

The Cuban vice president noted that the absence of a "counterweight" in international relations, which the community of socialist nations used to represent, was made obvious by the actions of the United States and its main allies in the Persian Gulf war.

"With the downfall of socialism in Europe and the dismantling of the Warsaw Pact, one of the poles around which the political and military equilibrium of the postwar period revolved has disappeared, and this creates better conditions for the use of force as a policy tool in dealing with the underdeveloped world in those cases in which the United States feels that it has to safeguard its interests."

Pedro Miret submitted a draft resolution calling on the governments of Latin America and the progressive forces in the region to intensify their vigilance in order to prevent further aggressions against Cuba, demanding the withdrawal of the U.S. naval base at Guantanamo and the return of Cuba to the Organization of American States, and condemning the trade boycott that the United States has imposed on Cuba.

Panamanian opposition leader Luis Gomez, from the PRD [Democratic Revolutionary Party], said that the United States is trying to prolong its military presence on the isthmus in order to main its network of military bases on Panamanian territory past the year 2000, with its eye always on Central America.

"There used to be 14 American military bases" in Panama. "Now, there is actually just one: the entire country." This was the objective of the December 1989 invasion.

Luis Gomez, who left Panama last May after taking refuge at the Cuban Embassy for 18 months, submitted a draft resolution stressing the need to take action so that elections can be held without the foreign occupation and to organize events of solidarity throughout the region against the U.S. occupation on 31 July, the 10th anniversary of the death of Omar Torrijos.

Gerard Pierre Charles, from the Lavalas Movement in Haiti, underscored that grassroots involvement in his country has enabled it "to rise up from the bottom of the pit and start walking."

After receiving a loud ovation, the Haitian political leader emphasized that a campaign is under way to

discredit President Jean Bertrand Aristide and the institutions that support him; it is being conducted by right-wing extremist organizations such as the Heritage Foundation and seeks to destabilize the recently installed democratic regime.

This campaign claims that there is extreme violence on the island, when the fact is that it is being practiced solely by the Duvalier forces in the nation, who at the time were supported unconditionally by the various administrations in Washington.

The draft resolution that the Lavalas Movement submitted indicates that there must be full support for and solidarity with the Haitian democratization process.

It calls on the Dominican Republic to prevent the Duvalier forces from taking refuge there.

It also calls on the governments that have offered technical assistance to make good on their offer and appeals to all democratic sectors and governments in the region to support a literacy campaign.

Irving Larios, who is in charge of the Latin America area of the Sandinist National Liberation Front (FSLN), underscored that the current conditions in his country are jeopardizing the accomplishments of the Sandinist Revolution.

He emphasized that the encouragement given to the rearming of the "Recontras" is creating the danger of a new war and, therefore, of an end to the reconciliation that came with the February 1990 elections.

The draft resolution submitted by the FSLN underscores the need to defend the accomplishments of the Sandinist Revolution and democratic institutions.

It condemns the United States for aborting the process of reconciliation and categorically denounces the rearming of the "demobilized Contras."

Rafael Anglada Lopez, from the Puerto Rican Socialist Party, emphasized that his nation has been under colonial rule since 1493 and then demanded self-determination for Puerto Rico, which since 1898 has been a "protectorate" of the United States.

His draft resolution calls for support in all international forums, particularly the Decolonization Committee of the United Nations, which will be looking into his country's case in the coming weeks. [passage omitted]

* Declaration Issued

91CA0190F Mexico City LA JORNADA in Spanish 16 Jun 91 pp 1, 12

[Report by Marcela Aldama and Roberto Zamarripa]

[Text] The Latin American democratic movement's answer to neoclassical-liberalism is to come to power and build independent states and "governments that are committed to change and based on strong grassroots support," reads the "Declaration of Mexico," which was signed yesterday by 67 political organizations from 22 countries in the region.

It expressed a commitment to democracy, respect for the vote, pluralism, and human rights. A democratic society ought to define "the functions of the market and the involvement of the state in economic life from the perspective of social justice and opposition to monopolies," it reads.

The signers also reaffirmed their commitment to nine unavoidable causes: "solidarity" in "the defense of Cuba's sovereignty and in the efforts to frustrate the plans of U.S. imperialism against the Cuban revolution; solidarity with the accomplishments of the Sandinist revolution, which are "threatened after the defeat of the FSLN [Sandinist National Liberation Front]"; support for the consolidation of the democratic process in Haiti; solidarity with the struggles of the FMLN [Farabundo Marti National Liberation Front] in El Salvador, the URNG [Guatemalan National Revolutionary Unity] in Guatemala, and the Panamanian people against the U.S. occupation; taking up the anticolonialist struggle of the Puerto Ricans and nations of the Caribbean, and opposing U.S. military intervention under the pretext of a "war against drug trafficking" in South America.

After four days of deliberations by 140 delegates, the Second Meeting of Political Movements and Parties of the Sao Paulo Forum concluded that "the best path for the countries of Latin America and the Caribbean" is not "to continue each on its own, relying on its own efforts and neglecting our common roots and the conditions in our countries today compared to the developed world."

The meeting voiced the view that "the imposition of neoclassical-liberalism and its imperialist policies that harm the people has been made possible largely" by the "top-down controls and the restricted democracies" that predominate in several countries. The neoclassical-liberal agenda "is merely to subordinate the Latin American economies to the global-restructuring plan that the developed countries, especially the dominant sectors of the U.S. economy, are heading up," it notes.

Within this framework, the Declaration of Mexico continues, "fraud and irregular electoral arrangements, venal, corrupt practices, the repression of independent unions and union organizations, and the control of the press and the mass media are blatant."

In the view of the meeting, all of this permits the application, "with relative governability," of a "new model of domination in which neoclassical-liberalism is combined with political authoritarianism and impunity for the rulers in their abuses and corruption."

Six hours behind schedule owing to disagreements on some sections of the draft resolution, and crowded into a small assembly room in a downtown hotel in the capital, the leaders of Latin American parties and movements felt that the prevailing strategy in the region is a restructuring that

reduces the role of the state in the economy without seeking to alter this role for national, democratic purposes.

When "the state served the needs of capital accumulation, its involvement was not criticized. Today, faced with the need to expand the investment frontier for domestic and international capital, they are blaming the State for the crisis in our countries and for so-called socialist practices in the economy."

From this have emerged privatization policies that banish the principles of sovereignty and deliberate economic growth, inasmuch as "the exclusive goal of big profits" predominates.

A change is under way in the institutional judicial machinery that governs international relations. The measures being taken are the elimination of protectionist barriers "that allowed for the industrialization of our countries"; the amending of foreign-investment laws and labor laws "to assure greater exploitation of the labor force," and "the modification of agrarian laws to reverse agrarian reforms and privatize the countryside." Hence the use of violence against campesino movements.

Neoclassical-liberal policies have failed, the participants at the meeting felt, inasmuch as they have been unable to produce conditions for economic growth and stability. What they have done is to grant further concessions to transnational capital: "greater facilities for direct foreign investment, a more laissez-faire economy, and bilateral economic accords to encourage the flow of investments into our countries and to restore or spur conditions for growth that will benefit only the predominant sectors."

Developing a consensus among such diverse political organizations was difficult. They ranged from the Lavalas Movement (which in just two months managed to unite the people and come to power in Haiti) to a dozen groups that refuse to leave the political fringes. There were also guerrilla movements that are negotiating solutions favorable to their cause and veteran warriors who are now fully engaged in new kinds of struggles in defense of their grievances, from Lula to Seregni, from Cardenas to Henry Ruiz.

Passed by acclamation, the Declaration of Mexico, which was opposed only by Argentina's Trotskyite Labor Party, states that "the real solution to our difficulties and problems today is a sweeping transformation of our societies and the political and economic integration of Latin America." This can be achieved only "if independent, democratic States and governments committed to change are established in our countries."

In this regard, emphasis is given to the "fundamental participation (of) the sectors that are excluded in "the neoclassical-liberal model, in other words, the workers in the city and the countryside, the petty and medium-sized bourgeoisie, nationalist businessmen, broad segments of women and young people, the oppressed nationalities and ethnic groups, and the most vulnerable segments of society."

In this connection the political-education committee underscored that these guidelines "must be included in the struggle of the political forces and grassroots movements to vie for power in running society at large." It emphasized that "political education is a necessity within parties but also...in society at large." Then, in calling for a critical review, it acknowledged that in recent decades we have "ignored the unorganized sectors, who in the final accounting play a decisive role in elections."

The Declaration of Mexico resolved to hold a seminar next February in Peru on alternative projects for Latin American integration, with specialists, and labor and political leaders in attendance. It also set the Third Meeting of the Sao Paulo Forum for June 1992, at which the group will continue the discussions prompted by the seminar and the exchange of political experiences.

A decision was also made to hold a forum on the North-South dialogue in a European capital. A proposal in this regard was made during the gathering by the French Communist Party. Other decisions were: to hold a forum on Latin America and the new world order, to be held in the United States; to send delegations of prominent Latin American political leaders to various national, regional, and international forums in order to present the findings of their own events, and to encourage, participate in, and back all of the alternative programs to the official commemoration of the 500th anniversary of the so-called Discovery of America.

In conclusion, the task force charged with consulting on and promoting studies and unified action around the forum's work was reelected. It is made up of the FMLN, the FSLN, the Cuban Communist Party, United Left of Peru, the Workers Party of Brazil, and Mexico's Party of the Democratic Revolution, which have been joined by the Lavalas Movement and the Free Bolivia Movement.

The Second Meeting of the Sao Paulo Forum was closed by Cuauhtemoc Cardenas, who predicted: "This unified effort that we are making, this common ground that we are finding, and the decision to bolster these struggles for unity give us confidence that soon, very soon we will be seeing a series of triumphs in various Latin American countries, triumphs that will represent gains for our positions, but above all that will represent emancipation and freedom for our peoples and peace for the world."

Cuba

Continued Reportage on 11th Pan-American Games

Argentine Envoy Lauds Welcome

PA0608212791 Havana Radio Havana Cuba in Spanish 0100 GMT 6 Aug 91

[Text] Argentine Ambassador to Cuba Adolfo Nanclares has praised the way in which the Cuban people have welcomed Argentine journalists and athletes participating in the 11th Pan-American Games being held in Havana and Santiago. At a meeting with the Argentine participants in the continental event, Nanclares said that in the short time he has been in Havana, he has been able to confirm the sincerity of the Cuban people's friendship toward his country. He also described as exceptional the attention which the Cubans have given to their guests and the efforts made by the people to create the best conditions for the athletes and journalists covering the Pan-American Games.

U.S. Athlete Praises Facilities

PA0708033791 Havana Radio Havana Cuba in Spanish 0000 GMT 7 Aug 91

[Text] Nick Brady, the U.S. fencing champion and bronze medal winner at the Pan-American Games in Havana, told Radio Havana Cuba that he is amazed at the marvelous sports facilities in which these 11th continental games are being held.

The U.S. athlete said he had come to Cuba with some apprehension because he thought the treatment would be different, and that the food and facilities would be very different from what U.S. athletes are accustomed to. He said, however, that he is very happy to say that the treatment and living conditions for athletes are similar, and in some cases better, than those in Indianapolis where the previous Pan-American Games were held.

Results of Latin American Parliament Viewed

PA0708014591 Havana Radio Havana Cuba in Spanish 0100 GMT 6 Aug 91

["Our America" commentary by Manolo Ortega]

[Text] The beautiful and venerable Colombian city of Cartagena de Indias has once again hosted a Latin American meeting. This time, it was one that undoubtedly was touched by the integrationist mood of the Guadalajara Summit.

The colonial walls that form a frame around old Cartagena have witnessed several various Latin American forums. This time, more than 200 legislators from 22 countries deliberated for three days on regional political, economic, and social issues.

The 13th regular meeting of the Latin American Parliament held in Cartagena de Indias adopted several important resolutions. It proposed the creation of a regional economic community, taking into consid. .ation that regional integration is an economic, political, and social must if solidarity among the region's countries is to increase.

Environment and regional development were also discussed. One of the most interesting projects discussed was that which calls for an end to the U.S. economic blockade against Cuba.

The significance of this resolution—which was approved by 153 votes in favor, 24 against and 30 abstentions—goes beyond the cold vote figures. It means that the parliamentarians voted in favor of ending the unjust isolation of a country from the region, for the unity of all the nations in future projects, and for the end of an arbitrary and inhuman measure.

These matters are listed in the text of the resolution in favor of Cuba. That resolution states that the Latin American Parliament is concerned over the fact that for the past 30 years the Cuban people have been enduring an economic and commercial blockade that includes food and medicine.

The document also notes that Cuba's economy has been seriously disrupted and this has brought hardship to the entire population.

The legislators said that this blockade not only violates International Law principles, but also goes against the current spirit of detente and understanding between the big powers.

Little can be added to the these clear concepts and this just resolution, but it is appropriate to say that the call for an end to the U.S. blockade against the Caribbean island is a recent trend. It represents the democratic decision of more than 20 countries that view as anachronic the imposition of penalties by one country against another just because the target country does not function on the basis of imposition and orders from abroad.

Cuba has firmly maintained its principles for over 30 years. It has not changed them in spite of the blockade and political pressure, and this is something that the sister Latin American nations have come to appreciate.

The most important aspect of the resolution was the spirit of solidarity we were able to notice. This spirit tells us that the Latin American people see, and will continue to see, Cuba's existence as essential.

When the legislators were voting for the end of the economic blockade, I noticed that this was not just a matter of solidarity with a brotherly people, but I realized that the Latin Americans were voting in favor of themselves, of being increasingly independent and aware of the fact that whatever happens to one country may happen to all the others at a given moment.

This is what Zoila Benitez, vice president of Cuba's National Assembly of the People's Government, has

said, and in saying this, she summarized Latin America's broad feelings of solidarity toward Cuba.

Venezuelans Demand End to U.S. Embargo

FL0608134291 Havana Tele Rebelde Network in Spanish 1107 GMT 6 Aug 91

[Text] Hundreds of Venezuelan personalities in Caracas have expressed that Latin America will never achieve a sincere, just, and decent order until the U.S. embargo against Cuba is completely abolished. Their denouncement was sent in a letter to U.S. Vice President Dan Quayle who made a five hour visit to Venezuela.

We unite ourselves with many in Latin America and in the United States itself who call for the end of the embargo, the longest in human history according to numerous parliamentarians, scholars, clergy, journalists, artists, and other Venezuelan professionals. The letter calls the embargo against Cuba part of Washington's contradictory and aberrant foreign policy.

CPSU Queries Decree on Political Activity

FL0608155791 Havana Tele Rebelde Network in Spanish 1111 GMT 6 Aug 91

[Text] A decree limiting political party activity issued by Boris Yeltsin, president of the Russian Republic, has been promulgated in spite of the call for its postponement by the Constitutional Control Committee. The document, which prohibits the functioning of political cells in work centers and state institutions, was considered illegal and discriminatory by the CPSU.

The CPSU, the only political organization in the Soviet Union structured on workers groups, asked the Constitutional Control Committee for an analysis of the Russian president's decision and for a suspension of its validity while they are making their study. Nevertheless, Yeltsin insisted that the document is legal, and the first dismantling of party cells will begin this Monday.

Russian Communist Leadership Changes Reported

FL0708015591 Havana Cuba Vision Network in Spanish 0000 GMT 7 Aug 91

[Text] The plenum of the Central Committee of the Russian Communist Party has accepted the resignation of First Secretary Ivan Polozkov, who has been severely criticized by other plenum participants. Valentin Kuptsov, secretary of the Central Committee of the Soviet Union, was elected by an absolute majority to replace Polozkov. The plenum of the Russian Communist Party also decided to expel Vasiliy (Lipisky) and Aleksandr Rutskoy, vice president of the Russian Federation and founder of the Russian Communists' Democratic Party.

During the plenum, the Russian communists also discussed the current situation of the Russian Federal Republic and steps to follow in the future.

Camaguey Communications Center Under Construction

FL0608211391 Havana Radio Reloj Network in Spanish 1943 GMT 6 Aug 91

[Text] Equipment installation is 50 percent completed at the modern communications facility being constructed in Santa Cruz del Sur in Camaguey Province. Currently, relay and telephone equipment imported from Germany is being installed.

Santa Cruz del Sur has 400 telephone lines. Communications will be improved after completion of this modern facility when another 1,000 lines will be made available. The complex will also have a section dedicated to international calls and lobby areas to receive letters, telegrams, and packages, among other services. This modern communications center in Santa Cruz del Sur also features a television relay tower.

Barbados

Editorial Views Bush's Middle East Challenges

FL0508131191 Bridgetown CANA in English 1923 GMT 3 Aug 91

[Text] Bridgetown, Barbados, August 3, CANA—Following is the text of the editorial in Saturday's ADVOCATE newspaper:

"As a result of recent developments in Eastern Europe and in the USSR, and also as a result of the war in the Gulf, the U.S. has emerged as the only superpower.

This ought to make the job of the President of the U.S. an easier one. Instead it has increased his troubles.

Nowhere is this more true than in the troubled Middle East. The USA keeps a wary eye on Iran ever since that country seized Americans as hostages during the presidency of Mr. Jimmy Carter.

The American blitzkreig against Iraq was successful beyond expectations. But it left an extremely difficult decision for the U.S. President. This was when to call a halt to the hostilities.

The President was openly hopeful that Saddam Husayn would be overthrown and that there would emerge a government with which the West could do business.

But the U.S. did not want to create a vacuum in so sensitive an area, a vacuum which could easily and quickly be filled by Iran.

The President chose to gamble on the former scenario. But that has not worked out. Revolution by the Shiites in the south and by the Kurds in northern Iraq have been brutally repressed by Saddam Husayn, and it is now clear that hostilities were halted too soon and that further damage should have been caused to the Iraqi war machine.

Since the end of the Gulf war the efforts of the U.S. have been directed to the convening of a peace conference to settle outstanding issues between Israel and its Arab neighbours.

"This has placed intolerable strains and pressures on the government of Israel led by Mr. Yitzhak Shamir.

Mr. Shamir's problems are both obvious and insoluble. In any peace conference Israel will be pressured by all participants to "give up land for peace".

They will be urged to return the Golan Heights to Syria and to turn the West Bank and Gaza Strip into an independent Palestinian state. The history of the last fifty years is not such as to cause any Israeli Government to agree lightly to such programmes.

But Israel cannot afford to have a serious break with the United States.

The only superpower, the U.S., will probably have to arbitrate the issues, and the only terms which one can imagine the Israelis could accept would be that any settlement would be guaranteed by the U.S. with the U.S. promising to come to the aid of Israel militarily if the independence and territorial integrity of Israel were being threatened.

Left-wingers throughout the world generally support the Palestinians. It is so much easier than trying to understand the fears and anxieties of a people who have lived surrounded by enemies dedicated to their destruction for so long.

Peace in the Middle East will have to be a plant of slow growth which can only be fertilized by Arab actions which will give confidence to the people of Israel.

Economic Impact of IMF Accord Under Debate

FL0508124391 Bridgetown CANA in English 1643 GMT 4 Aug 91

[Text] Bridgetown, Barbados, Aug 4, CANA—Barbadian public workers, facing a drop in real income amidst economic adjustment measures being introduced by the government, are expected to begin indicating to government this week their position on proposed wage cuts.

Workers' representatives are expected to inform the government of their position after meeting Thursday to discuss an International Monetary Fund (IMF) recommendation that the government cut its near 500 million dollar wage bill for fiscal year 1991-92 by 40 million dollars (one Barbados dollar; 50 US cents).

The recommended near 10 per cent cut in the wage bill, disclosed by Prime Minister Erskine Sandiford to unions here last week, coincided with a hike in interest rates, and is part of adjustment measures in response to fiscal deficits and low export earnings which have helped deplete external reserves.

Commercial banks were from last month limited to selling prepayment for imports for production and essential purposes, and a full fiscal package has been promised, possibly under an IMF agreement expected by month end.

The SUNDAY ADVOCATE quoted National Union of Public Workers (NUPW) General Secretary Joseph Goddard as saying it is crucial that the representatives—from seven unions and associations—meet and frame a common position on the IMF proposal.

No cost-cutting formula has been proposed officially but cuts in wages either across-the-board, or progressively to ease lower income earners, are seen an alternative to layoffs.

Whatever formula is used, it is expected to complement import curbs, higher interest rates, and other measures to produce significant reduction in spending power here.

Financial Controller Mike Stears, of Consumer Goods Distributor Courts (Barbados) Ltd, told CANA the rise in interest rates is expected to produce twin increases in prices: an increase resulting from the passing on of the increased costs of suppliers; and an increase in interest charges when financing such as hire purchase is involved.

Stears said charges on new hire purchase agreements would likely eventually be raised to levels reflecting the increases in interest rates implemented last Thursday.

The changes saw increases in: the Central Bank discount rate (rate for funds to commercial banks) from 13.5 to 16 per cent; the minimum savings rate from 5.5 to seven per cent; and the noncommercial mortgage rate from nine to 11 per cent.

Observing that "the economic environment is already affecting people's spending power", Stears said the interest rate rise, if followed by wage cuts, will mean even less spending power among workers.

Opposition National Democratic Party (NDP) leader Richie Haynes said the combined effect of increased interest rates and wage cuts will pressure homeowners and workers generally, and contract economic activity through reduction of savings and discouragement of investment.

Barbados Workers Union (BWU) General Secretary Frank Walcott, in a weekly column, observed Sunday that "the full extent of sacrifice that the workers are being asked to make will only be known after the letter of intent is signed with the (IMF)."

Jamaica

Leaders Make Independence Day Remarks 5 Aug

FL0608143891 Bridgetown CANA in English 2224 GMT 5 Aug 91

[Text] Kingston, Jamaica, Aug 5, CANA—Prime Minister Michael Manley, hinting at possible new action to combat indiscipline in the society, told Jamaicans Monday that poor attitudes can destroy the country.

"Recent events have focused our minds on this problem and in a few weeks I will have something to say on it. But for now I appeal to the society to stop this nonsense. If we do not, we will only self-destruct," Manley said in a message to mark the 29th anniversary of the island's independence.

Messages were also issued by Governor-General Howard Cooke and opposition leader Edward Seaga.

"No society, of whatever model, can work without discipline. Over the last few years there has been the growth of indiscipline in our society. This cannot continue. We cannot slide into a don't-care, do-what-we-want attitude," Manley said.

The prime minister said his government has developed a social and economic model which will push growth, while giving more people a stake in economic life and laying the basis for fulfilling social needs of the people.

A micro-investment development agency programme of technical and financial assistance for small businesses is about to begin, Manley announced, saying he has been driven all his life by the goal of "empowerment" of ordinary Jamaicans.

Governor-General Cooke, installed last Thursday, said Jamaicans are finding out how strong they are as a people as they try to reconcile the needs of the nation with personal goals.

"Let us begin to take up the challenge and responsibility of being our brother's keeper, of seeking only good for our country and upholding the name of Jamaica," he said.

Opposition leader Seaga, in his message, said it is important that Jamaicans not "judge ourselves by the setbacks that we have suffered over the past 20 years".

He said the independence celebrations should be seen as a "pause in our struggle for survival" because when the festivities are over there will be need to face stern challenges ahead.

New Governor General Pleas for National Unity

FL0208232591 Bridgetown CANA in English
2155 GMT 2 Aug 91

[Text] Kingston, Jamaica, Aug 2, CANA—Howard Felix Hanlan Cooke, Jamaica's new head of state, made a passionate plea Thursday for national unity, as he took the oath of office. Witnessed by hundreds of Jamaicans, diplomats, and former parliamentary colleagues, the son of a butcher from western Jamaica was invested with the National Honor of Order of the Nation, which is reserved for governors general.

The 75-year-old Cooke looked smart and delivered his acceptance speech in very clear, crisp tones. "This is a time for harmony and unity and unity in action, tearing down distrust and dissipating mischief and anger; let us build bridges of honesty, purity, unselfishness, and love," Cooke declared.

He called for a declaration of war on the enemies of economic stability and peace. And said it was not a time for lamenting. Instead, he invited his audience to reflect on some of the country's outstanding achievements in education, sport, and music. "Lest we forget we are all products of the great, Jamaican struggle, succeeding, and achieving against all odds."

Prime Minister Michael Manley was the first to congratulate the new governor general with whom he had worked for 40 years. He called attention to Cooke's unifying spirit and his patriotism.

"Throughout his life, he has been one of those rare people who became a symbol of integrity in public life," said Manley. He said he had been constantly moved by Cooke's commitment to social justice.

The ceremony which was conducted on the lawns of King's House, the governor-general's official residence. At the end, scores of admirers climbed the dias to get Cooke's autograph. In his first official act Friday, Governor General Cooke cut the ribbon to open an exhibition of art and craft and culinary delights put on by the staff of the Ministry of Public Utilities and Transport in commemoration of Jamaica's 29th independence anniversary.

Island Reports Improved Bauxite Production

FL0508185791 Bridgetown CANA in English
1602 GMT 5 Aug 91

[Text] Kingston, Jamaica, Aug 5, CANA—Bauxite production in Jamaica in the first half of 1991 rose 1.4 per cent to 5.53 million tonnes, the Jamaica Bauxite Institute (JBI) reported. Output in the 1990 first half had amounted to 5.45 million tonnes.

Alumina production also showed an increase, rising 6.7 per cent from 1.39 million tonnes in the 1990 first half to 1.49 million, said Dennis Morrison, senior director of strategic planning, economics, and projects at JBI. Morrison however said a decline in world metal prices had affected revenues from the bauxite levy and income tax payments. Despite the increase in alumina production which was expected to continue for the rest of the year, that increase would not offset the price decrease, he added.

Dr. Carlton Davis, executive director of JBI, told reporters the bauxite and alumina industry remained a very significant foreign exchange sector of the Jamaican economy. In 1990, he said, the industry contributed U.S. 728 million dollars in gross export earnings compared with U.S. 86 million dollars for sugar, U.S. 35 million dollars for bananas, and U.S. 740 million dollars for tourism.

St. Lucia

Britain Accused of Impeding Tourism Growth

FL0608175491 Bridgetown CANA in English 1448 GMT 6 Aug 91

[Text] Castries, St. Lucia, Aug 6, CANA—The St. Lucia Hotel and Tourism Association has accused Britain of restricting the growth of the island's tourist industry.

Association President Bill Stewart made the accusation after what he said was British refusal to approve an application from Air Holland to operate a flight from Amsterdam, through Manchester, into St. Lucia.

As a result, the service which was planned to begin in November, has been put on hold.

The association, in its weekly bulletin, said although the St. Lucia Government supported the Air Holland proposal, "the British Government replied that as a result of the current multilateral airline agreement discussions taking place between Caricom and Britain, such a request was difficult to consider at this time".

Stewart said the new flight would have opened up a new gateway of benefit to the island's tourist industry. "Once again, the British are restricting St. Lucia's tourist development", he added.

Trinidad and Tobago

Police Investigating Claims Jamaat 'Regrouping'

FL0508232091 Bridgetown CANA in English 2218 GMT 5 Aug 91

[Text] Port-of-Spain, Trinidad, Aug 5, CANA—Trinidad and Tobago police are investigating claims that members of a Muslim group which attempted a coup last year are re-grouping and trying to smuggle arms and ammunition, a senior police official has said.

"We certainly have some leads.... about activities, which we cannot disclose at this time. We are still investigating all these reports with a fine-toothed comb," the official, who did not want to be identified, said.

Jamaat al Muslimeen leader Yasin abu Bakr and 113 followers are facing treason, murder, and other charges linked to the coup attempt last July. About 24 persons were killed during the six-day siege. Prime Minister A.N.R. Robinson, among those held hostage in Parliament, was shot in the leg.

National Security Minister Joseph Toney told CANA Monday that an intelligence report received "justified" a recent search of Jamaat premises. The police source said the raid was made two weeks ago on the Jamaat's headquarters on the outskirts of Port-of-Spain. No arms and ammunition were found in the early morning search.

The security minister, who was among cabinet members and parliamentarians held hostage in the coup attempt, declined comment on a possible regrouping of the radical Muslims.

"All I can say at this time is that we have our ears and eyes trained to protect everyone in this country. We are taking every report seriously," he said.

Government Denies Work Slowdown Effective

FL0208230591 Bridgetown CANA in English 2127 GMT 2 Aug 91

[Text] Port-of-Spain, Trinidad, Aug 2, CANA—Trinidad and Tobago's Public Service Union claimed success in a planned boycott of work on Friday but government spokesmen said it was business as usual at most workplaces. Public Service Association (PSA) President Dr. Kenrick Rennie told the CARIBBEAN NEWS AGENCY (CANA) that the majority of workers did not show up at government offices.

However, Chief Personnel Officer Roland Baptiste, dismissing Rennies claim that 75 per cent of workers stayed home, said that the turnout was good, especially after Thursday's national holiday.

"There has been quite a good turnout.... It's not a crisis as the union is making it out to be," he told CANA.

On Wednesday—the start of protest action, Rennie said the majority of workers wore something black—as a mark of opposition to the government's nonimplementation of a 2 percent increase in salaries last month. Finance Minister Selby Wilson said the government did not budget for a 2 percent increase in salaries this year and could not meet the demand that is based on a 1987 industrial court award.

The union is also pressing the government to pay public sector employees no less than 40 percent of a three billion dollar (one TT dollar = 23.5 U.S. cents) debt by the end of the month. The debt resulted from the nonimplementation of the court award, the suspension of a Cost Of Living Allowance and a 10 percent cut in their salaries in 1988. Salaries were restored to their original levels at the beginning of this year.

The government has proposed to set up a state unit trust to issue shares in lieu of money owed to the workers. A cash payment of 300 million dollars was also proposed to the employees at the inception of the trust at the start of next year. The union has rejected the proposal.

IDB Finances Environmental Projects

FL0208202191 Bridgetown CANA in English 1855 GMT 2 Aug 91

[Text] Port-of-Spain, Trinidad, Aug 2, CANA—The Inter-American Development Bank [IDB] is financing a far-reaching programme in Trinidad and Tobago aimed

at protecting key natural sites and rehabilitating damaged lands and coastal areas.

"The programme represents a new breed of IDB-financed environmental activities in that environmental protection is its primary mission," a report in the bank's newsletter, "The IDB," said.

In all five projects making up the programme, local nongovernmental organizations will play major roles in designing the protection activities and carrying them out. The programme will be administered by the Ministry of the Environment and National Service with the help of a U.S. 4 million dollar IDB loan and a U.S. 238,000 dollar technical cooperation grant.

The centre-piece of the new programme will be a project to protect the Caroni Swamp National Reserve. Only 3.5 kilometres from the capital city of Port-of-Spain, the 5,600-hectare mangrove wetlands provide habitat for more than 160 bird species as well as a great variety of other wildlife and marine species. The reserve's chief attraction is the scarlet ibis, a bright red wading bird with a down-curved bill. The birds are an important tourist attraction, and boat excursions to view them are conducted by private guides and park personnel.

The new project will improve access to the reserve for visitors while at the same time more closely regulating human impact on the area's plants and animals. Principal works will include a visitor's center with exhibits, an auditorium and library, and boat house and docks for tour, rental, and patrol boats. Two wooden towers will give visitors panoramic views of the ibis roosting area and the swamp and mangrove forest.

An environmental education program to promote a greater awareness of the importance of swamps and wetlands will be prepared by the Environment Ministry's forestry division in conjunction with conservation groups and interested citizens. Studies in marsh ecology and hydrology will be carried out to determine what must be done to enable the scarlet ibis to reestablish breeding colonies in the reserve.

The bank-financed program also incudes the rehabilitation of the San Fernando Hill national landmark, a unique geological formation composed of limestone-chalk. Rising 200 meters above sea level in the city of San Fernando, the hill was previously covered by an unusual forest, including many large trees. But years of quarrying have left the hill scarred and stripped of much of its vegetation. Works will be carried out both to revegetate the hill and to improve facilities for visitors. Environmental education activities will be developed by the forestry division, nongovernmental organizations, and interested citizens.

Reforestation is also the objective in the mountains of the island's northern range, which has been extensively cut and converted to farms, IDB officials say. Plantation species will be used as well as trees specially selected to eventually recreate the original forest.

Another project will improve the quality of life in Laventille, the birthplace of the Trinidadian steel bank. The modest dwellings, sprawled up the hillsides just outside of Port-of-Spain, are easy victims for erosion and flash flooding during the rainy season.

The works, which have been designed and will be carried out by community members, include the construction of retaining walls, sidewalks, street drains, and areas for recreation, and the planting of trees and shrubs. The project will create immediate benefits through the employment of large numbers of local people, women as well as men, many of them currently unemployed.

Preventing erosion is also the objective of a project to rehabilitate and protect the sea coast village of La Brea, about 72 kilometers south of Port-of-Spain. The La Brea project includes the repair and extension of a sea wall and the renovation of an outstanding example of colonial architecture. The Institute of Marine Affairs will monitor sea and coastal activities to determine environmental effects of the sea wall and other erosion protection works.

Assistant Attorney General Explains New Agencies

PA0708024191 Mexico City XHTV Television Network in Spanish 0200 GMT 6 Aug 91

[Interview with Federico Ponce Rojas, assistant attorney general for preliminary investigations, by journalist Lolita Ayala; at the XHTV Television studios in Mexico City—live]

[Text] [Ayala] The Federal District attorney general has announced the creation of six new attorney general agencies to optimize the management of justice. Doctor Ponce Rojas, thank you for participating in the "Muchas Noticias" newscast. Would you like to tell us about the Attorney General Office's six new agencies? Why was their creation necessary? What will each one handle?

[Ponce] Good evening and thank you, Lolita. The plans to professionalize and modernize the Federal District Attorney General's Office made it necessary to create six new attorney general agencies. They are specialized agencies of the Federal District attorney general and they will handle federal crimes that are included either in the federal penal code or in special laws. We have more than 50 special laws that contain descriptions of actions that may be considered federal crimes.

Federal District Attorney General Ignacio Morales Lechuga decided that modernization, decentralization, simplification, and—in this case—professionalization, are appropriate mechanisms to emphasize the management of justice concept. The Attorney General's Office is essentially an institution of good faith. This good faith, based on a powerful moral strength and a high degree of professionalism, should enable us to handle these crimes in a special way—according to their natures. This, in sum, is the goal sought by the creation of these agencies.

The six agencies listed in the decree signed by Attorney General Morales Lechuga will handle the following: crimes against public health; crimes perpetrated by government employees; fiscal and banking crimes; nonviolent crimes against state property—we inaugurated this agency on behalf of the attorney general today; violent crimes against state property; special crimes—I have already mentioned that these crimes are listed in the federal norms and laws; and any relevant cases.

This was the formula used to create the six attorney general office's agencies. Each one will be headed by an assistant attorney general, and two of them will be women who are specialists in fiscal and banking crimes. The agency we inaugurated today will be headed by Gabriela Valenzuela Lujan, who has a vast experience in crimes against state property, particularly those which are extremely complex. This includes fraudulent bankruptcies, fraud, breach of trust, embezzlement—in other words, the so-called white collar crimes, which require a high degree of intelligence to violate norms and affect patrimonies.

[Ayala] Dr. Ponce Rojas, one of the six new Attorney General Office's agencies will handle fiscal crimes. Will this involve a fiscal witch hunt?

[Ponce] No. Look, this topic has been extensively discussed by Attorney General Morales Lechuga and the goal sought [pauses] the agency is fully operational now and its goal is to give legal guarantees and to achieve efficient management of the law. In other words, the Finance Secretariat must file charges through the Public Prosecutor's Office so legal action may be taken against whoever perpetrated these crimes. The case is then analyzed by work groups to ascertain that there is enough evidence to prove the crime and indict whoever is guilty. This legal step is the last in a series of measures taken to ensure the payment and regularization of taxes. Consequently, we cannot talk about a witch hunt; quite the contrary, we must talk about commitment and efficiency in the actions carried out by the public prosecutor's office to guarantee an abidance by the law.

[Ayala] What about the agency that will handle the crimes perpetrated by public employees? Will this involve an important modification in the punishment for irregular actions?

[Ponce] This agency is obviously acting with great zeal and it has a commitment to serve well. It is also fully operational and its actions have been carried out keeping in mind that the agency must set the example—and this includes all federal public employees. The norms concerning punishment have been established in the penal code and we also have the public employees law, a federal law that outlines sanctions in the administrative sector. Most of the time these two work in tandem, meaning the penal sanction is followed by an administrative sanction—including a suspension, dismissal, admonishment, etc. This gives the two agencies, meaning the Federal District Public Prosecutor's Office and the Federal Comptrollership General's Secretariat, the necessary moral strength and guarantees that they will act legally.

[Ayala] What can the citizens expect from the creation of these agencies? When can we expect results?

[Ponce] Look, referring to the specialized agency for fiscal and banking crimes, we have attained and are attaining results. Talking about the agency for public employees' crimes, we have also attained results, meaning the arrest of important employees. The same goes for crimes against state property. We believe that impunity is likely to cause social unrest and any of its intolerable manifestations represents a violation of legal norms, so this specialization and modernization of the Attorney General's Office strives to solve those cases according to constitutional norms. In other words, the Attorney General's Office is a permanent defender and custodian of the Constitution and the law; and its actions must be strengthened by a modernization, specialization, and simplification of procedures so that—as you stated—we may achieve timely and efficient solutions.

[Ayala] Dr. Ponce Rojas, changing the subject and since you are here, I would like to ask you: Why is there so much disorder in our country's prisons? Why has this not been solved?

[Ponce] Attorney General Morales Lechuga issued instructions to periodically visit the prisons, based on what our own law orders. The law says we must visit and inspect the prisons precisely as a preventive measure. Nevertheless, we must bear in mind that this involves other factors, including overpopulation, so other measures must be implemented. This is being efficiently handled by the government secretariat and the state secretariats, which are politically and legally empowered to solve problems that result when the prisons' capacity is taxed.

The Attorney General's Office is also sponsoring other measures, including more efficient release procedures. All this work, meaning the revision of files on persons who are being subject to a process and should be released; the revision of cases concerning persons who have been sentenced [pauses]; the government secretariat is aptly, quickly, and efficiently, doing this. This allows us to decongest our prisons and prevent other actions, through the visits I mentioned earlier. In fact, representatives of the Attorney General's Office have visited practically 70 percent of Mexican prisons.

[Ayala] Doctor, would you like to add something about the Attorney General Office's agencies?

[Ponce] I only want to thank you for the opportunity to explain the thesis that will necessarily yield the results the citizenry expects from the Attorney General's Office.

[Ayala] Thank you, Dr. Ponce Rojas.

[Ponce] Thank you.

El Salvador

FMLN Protects Killers of U.S Advisers

PA0708042391 Paris AFP in Spanish 0331 GMT 7 Aug 91

[Report by Carlos Mario Marquez]

[Text] Perquin, El Salvador, 6 Aug (AFP)—The Farabundo Marti National Liberation Front (FMLN) stated today that it will not turn over to U.S. authorities the two guerrilla fighters who killed two U.S. military advisers in January.

Commander Gustavo Amaya, member of the FMLN staff in Morazan Department, told AFP that "our former comrades will not be turned in to Salvadoran justice or to the North Americans."

On 30 July the FBI office in Miami issued an arrest warrant against "Porfirio," one of the two guerrilla fighters accused of assassinating the advisers who were captured alive on 2 January after their helicopter was shot down.

According to the U.S. investigations, "Porfirio" is accused of assassinating Lieutenant Colonel David Pickett of Clarksville, Tennessee, and PFC Ernest F. Dawson. The third man traveling in the helicopter, aviation technician Daniel Scott, died when the aircraft crashed.

The official version says that the U.S. Army helicopter was shot down near the town of Lolotique—located in a war zone—when it was flying between Ilopango Military Airport and Soto Cano Base in Honduras.

Amaya said that the case might be reviewed by the "Commission of Truth"—to be created within the framework of the negotiations being carried out between the government and the FMLN, with UN mediation, to end the war.

According to preliminary agreements, the commission will be in charge of investigating human rights violations perpetrated during the last decade.

Among the cases to be investigated, the guerrilla organization will propose that of San Salvador Archbishop Oscar Arnulfo Romero, who was assassinated in 1981, as well as two peasant massacres and one attack on a labor union's offices.

Explaining the reasons why the defendants will not be surrendered to legal authorities, Commander Amaya reiterated that "as long as the system is not purged" there can be no confidence in justice.

Regarding the request made by a grand jury in Washington for the defendants' extradition, Amaya said that in addition to purporting to enforce justice, it is an implicit effort "to attempt to discredit the FMLN."

An arrest warant against "Porfirio" contains two counts of first- degree murder of an American outside of the United States and two counts for using a machine gun in a violent crime.

Amaya said that "the United States has always been a part of the Salvadoran conflict and cannot adopt the position of referee because for 10 years it maintained a harsh war of aggression against the Salvadoran people."

"We will not surrender our former comrades to the U.S. authorities; we are conducting a trial," Amaya said.

At present the defendants in the murder of two U.S. soldiers are under confinement at one of the FMLN's war fronts and are receiving arts and crafts training.

A communique issued by the U.S. Embassy in San Salvador stated that the FBI, State Department, and Salvadoran authorities are still trying to locate and capture the guerrillas.

In accordance with U.S. law, "Porfirio" would receive a life sentence because of the nature of his crime.

FMLN Claims Responsibility for Kidnapping

PA0608162191 Panama City ACAN in Spanish 1454 GMT 6 Aug 91

[Text] Panama City, 6 Aug (ACAN-EFE)—The Salvadoran guerrillas claimed responsibility today for the kidnapping of Gregorio Zelaya, a wealthy rancher and member of the ruling political party, and added that it will collect a "war tax" through private channels.

Zelaya, a political leader in the eastern region for the Nationalist Republican Alliance (Arena), was abducted three weeks ago in the town of Jucuapa, Usulutan Department. Although several sources had confirmed that he was being held by the rebels, this is the first time that the guerrillas have spoken out publicly about the case.

A rebel communique received at ACAN-EFE offices today says that "the Farabundo Marti National Liberation Front is holding Gregorio Zelaya and hereby states that any case regarding the collection of war taxes will be dealt with privately."

* Announcement Decries FMLN 'Death Squads'

91P40389A San Salvador DIARIO LATINO in Spanish 17 Jul 91 p 11

[Announcement: "Enough Impunity!" submitted by the Patriotic Civic Committee]

[Text] We, the Salvadoran people, are fed up with the impunity of a small sector of the country which has acted with virtual impunity for years. We will no longer tolerate this plan of violence and so we demand that President Cristiani; the Supreme Court of Justice; the Criminal Deeds Commission; Tutela Legal of the Archbishopric; and the Commissions for Human Rights, both the governmental and nonofficial offices, do all that is

necessary and, in this way, clear up the innumerable murders perpetrated by the "FMLN [Farabundo Marti National Liberation Front] Death Squads"—crimes which have shaken the entire nation. Among [those murdered] are Salvadorans as well as foreigners:

- Roque Dalton, murdered on orders from Joaquin Villalobos of the ERP/FMLN;
- Roberto Poma, murdered by the FMLN;
- The four "Marines" and nine civilians murdered in the Zona Rosa on orders from Nidia Diaz of the PRTC/FMLN;
- Lieutenant Commander Albert Schaufelbeger, murdered by the FMLN;
- Military judge, Dr. Alberto Serrano Araujo, murdered by the FMLN;
- The 30 "summary executions" documented by the Americas Watch Committee and for which FMLN members are responsible;
- Miguel Castellanos, murdered by the FMLN;
- Former Jesuit Dr. Francisco Peccorini, murdered by the FMLN;
- Attorney General Dr. Jose Roberto Garcia Alvarado, murdered by the FMLN;
- The nine peasants murdered in the massacre against a van, in Leon Pintado Canton, Santa Ana. There, the FMLN opened fire with machine guns;
- Dr. Jose Antonio Rodriguez Porth, minister of the presidency, murdered by the FMLN;
- Ana Isabel Casanova, daughter of a military officer, murdered by the FMLN;
- Dr. Francisco Jose Guerrero, former president of the Supreme Court, murdered by the FMLN;
- More than 10 municipal mayors, murdered by the FMLN;
- The five journalists captured by the FMLN on 29 November 1989, taken to a hillside the Escalon area where they were shot and their bodies incinerated;
- Mayor Carlos Alfonso Figueroa Morales, murdered by the FMLN as he was leaving class at a private university;
- Colonel Armando Rivera, director of the Fire Fighters Brigade, murdered by the FMLN;
- Capitan Carlos Alfredo Lopez Aviles, murdered by the FMLN;
- Lieutenant Colonel Pickett, PFC Dawson, and another U.S. soldier, murdered by the FMLN when they required medical assistance after their helicopter crashed on 2 January, 1991 in the eastern part of the country;
- The list is interminable, but it is sufficient to mention the preceding victims executed by the FMLN during the conflict which has been going on in our country.

How many more must die by the murderous bullets of the FMLN "Death Squads"? When will there be justice for the families and orphans of these victims, in these and many other similar cases? Up to what point will fundamental human rights be respected? Truly, PEACE will be achieved when these "Death Squads" are prosecuted and the cries of anguish have ceased forever in El Salvador.... For this reason we say ENOUGH IMPUNITY!!! WE DEMAND THAT THE LAW BE APPLIED TO FMLN TERROR!!!

San Salvador, 14 July 1991

Patriotic Civic Committee

Battle Reports for 30 Jul-4 Aug Detailed

PA0608231891

[Editorial Report] The following is a compilation of battle reports in El Salvador carried by this country's Spanish-language voice and press sources monitored at Panama Bureau between 30 July and 4 August.

San Salvador LA PRENSA GRAFICA in Spanish on 30 Jul carries a 250-word report on page 29 citing "different military units" as saying that "11 extremists and Treasury Police Officer Jaime Antonio Miranda, 22, were killed in recent clashes." According to the official report, seven rebels were killed in clashes with General Eusebio Bracamonte Battalion troops in Llano Verde and El Chaparral Hill, San Jose Las Flores Jurisdiction, Chalatenango Department. This report quotes military sources as saying that "three guerrillas were killed in clashes with troops from Military Detachment No. 2 near Avila Hill, San Isidro Jurisdiction, Cabanas Department." The report concludes by saying that, during these operations, the Armed Forces seized an AK-47 and an M-16 rifle.

The same newspaper carries a 207-word report on page 2 stating that at 0545 on 29 July, "two civilians were wounded inside their homes" at the intersection of South Avenue and Venezuela Boulevard when FMLN, Farabundo Marti National Liberation Front, units launched an attack on Treasury Police units. The report adds that after the attack, the rebels left a yellow pickup truck abandoned, in which two rifles—an AK-47 and an M-16—were found.

The same newspaper carries a 108-word item on page 2 stating that "two Treasury Police officers were killed at 0230 on 29 July," after the rebels launched an attack on the Ateos electricity plant in Sacacoyo Jurisdiction, La Libertad Department. The report says further that "two soldiers from the 1st Infantry Brigade were wounded at 1630 on 29 July near 23d Street West and 7th Avenue North, Vairo neighborhood."

(Clandestine) Radio Venceremos in Spanish to El Salvador at 0000 GMT on 31 July broadcasts a 16-minute bulletin reporting that "today, END, National Army for Democracy, units engaged a company of the Leon Battalion of the 3d Infantry Brigade, forcing them to flee in disarray, leaving behind the bodies of a sub-lieutenant and a sergeant." The report states further that "45 casualties, including one sub-lieutenant and one sergeant, were inflicted in the last few hours on the ranks of the antidemocratic Armed Forces in the departments of Usulutan, San Vicente, Cabanas, Cuscatlan, San Salvador, and Chalatenango, within the framework of our

national maneuver: If the Armed Forces Want Our Weapons, Let Them Win the War." The report also states that "eight rifles and other military supplies have been seized."

The report says: "END forces inflicted nine casualties on the troops of the Leon Battalion of the 3d Infantry Brigade, after END troops from Captain Dimas Battalion carried out a maneuver to oust the soldiers from the town of San Jorge, San Miguel Department." It continues that the fighting began at 0600 and lasted three hours, "highlighting the death of Sub-Lieutenant Nelson Antonio Claros Puertas, second officer in command of the enemy company." The report adds that "revolutionary soldier Hector Orellana Gonzalez, alias Israel, fell in combat."

The FMLN reports continue that "heavy fighting" began at 1330 and lasted until 1800 on 29 July "in the area of San Bartolo and El Caracol, Tecoluca Jurisdiction, resulting in 21 casualties." The report says that in their desperate escape, the commanding officers of Canas Battalion left the body of soldier Jesus de los Angeles Rosales behind. "In this operation, our forces seized one M-16 rifle, one complete set of equipment, four backpacks, six M-19 grenades, one grenade for 90-mm cannon, and a lot of medicine," the report says.

The report cites Francisco Morazan urban commandos as reporting that on 26 July, "urban commandos infiltrated the factory (?Incinta) along Northern Highway, in Apopa, capturing the security guards of the aforementioned factory by surprise." The report adds: "Our forces seized two M-14 rifles, one G-3 rifle, one AR-15 rifle, 16 hand grenades, one 45-mm pistol, one .38 revolver, and ammunition."

The report says: "Today, 30 July, END units successfully ambushed a truck carrying troops from the 4th Infantry Brigade along the road to Chalatenango, inflicting 10 casualties on enemy troops."

"Meanwhile," the report states, "on 28 and 29 July, the Atlacatl Battalion sustained three casualties in clashes at the farms Isamal, El Zapote Canton, and El Sitio, Platanares Canton, in Suchitoto Jurisdiction, Cuscatlan Department."

The report states that "today at 0730, END units attacked enemy units at the El Tronconal detour as they travelled from Paraiso to Chalatenango, inflicting one casualty on the enemy." The report adds that "at 0600 on 29 July, END sharpshooters attacked National Guard positions in La Cruz Hill, Cojutepeque, Cabanas Department, inflicting one casualty on the army. On 29 July also in Cabanas Department," the report says, "END units sabotaged two energy towers in El Empalme, Ilobasco Jurisdiction."

(Clandestine) Radio Venceremos in Spanish to El Salvador at 0000 GMT on 31 July carries a one-minute report on clashes between END and the Oro Montique Battalion of the 6th Infantry Brigade on 31 July in Uzulutan Department. The report states that the encounter lasted five hours but does not give details with respect to casualties.

(Clandestine) Radio Farabundo Marti in Spanish to El Salvador at 0000 GMT on 31 July carries a report on clashes between the FMLN and the Canas Battalion of the 5th Brigade that took place on 27 and 29 July in San Vicente Department. The report specifies that FMLN forces caused a total of 21 casualties; 16 wounded and five dead.

According to the same report, FMLN forces were able to seize an unspecified amount of ammunition, grenades, and weapons.

The same report continues to disclose that the Modesto Ramirez urban commando unit attacked an advanced armed forces position in the La Sultana residential area in San Salvador on 31 July. According to the report, the attack resulted in five casulties.

The report adds that another urban commando group attacked a 1st Infantry Brigade position at 1715 on 31 July in San Salvador. The report states that during the attack two soldiers were killed.

The report states that at 0600 on 31 July, the Capitan Dimas guerrilla unit clashed with the Leon Battalion of the 3d Infantry Brigade in San Miguel Department. According to the report, a total nine casualties were reported, including a junior officer and a sergeant who were confirmed killed in action.

San Salvador Canal Doce Television at 0300 GMT on 31 July carries a one-minute report on five soldiers killed during clashes with rebel forces in San Vicente and San Salvador. According to COPREFA, the Armed Forces Press Committee, three soldiers were killed in Caracoles, Tecoluca Jurisdiction. In addition, the COPREFA report said that two members of the 1st Brigade were killed when attacked by urban commandos in San Salvador.

(Clandestine) Radio Farabundo Marti in Spanish to El Salvador at 1600 GMT on 1 August reports that on 31 July fighting broke out in Chalatenango Department between guerrilla forces and Bracamonte Battalion troops. The report continues that seven casualties were inflicted by the guerrillas on the Bracamonte Battalion.

The same report states that on 31 July at 1115 guerrilla forces clashed with 5th Brigade units guarding the 15 September Dam in Usulutan Department. According to the report, two soldiers were killed in the attack.

The report adds that at 1030 on 31 July END units clashed with an Atonal Battalion company in the jurisdiction of Usulutan. The report specifies that two soldiers were wounded during the attack.

(Clandestine) Radio Venceremos in Spanish to El Salvador at 0000 GMT on 1 August reports that END forces attacked Treasury Police units who were guarding an electrical power plant in La Libertad Department. According to the report, the attack took place on 29 July and END forces inflicted 15 casualties on the Treasury Police.

San Salvador Canal Doce Television in Spanish at 0300 GMT on 1 August reports that heavy fighting in the Departments of San Vicente, San Miguel, and Cuscatlan between guerrillas and armed forces resulted in 18 persons dead. The report specifies that 15 guerrillas and two soldiers were killed in the Tecoluca Jurisdiction.

San Salvador Radio Cadena YSU in Spanish at 1200 GMT on 1 August carries a one-minute report on one soldier killed during a guerrilla attack against a military convoy. The attack took place in Chalatenango Department.

The report adds that, according to COPREFA, one soldier was killed in San Salvador on 31 August when urban commandos threw grenades from a moving vehicle against a 1st Infantry Brigade military post.

(Clandestine) Radio Venceremos in Spanish to El Salvador at 0000 GMT on 2 August carries a summary of the rebel offensive during the month of July, stating that "the FMLN has inflicted 986 casualties on the antidemocratic forces, including nine officers, 27 NCOs, and 11 prisoners of war." The station continues by adding that the rebels have seized "60 assorted rifles, one 60-mm mortar, five M-60 machine guns, two M-69 grenade launchers, five LAW rocket launchers, five military TRC-67 transceivers, 7,010 rounds of assorted caliber ammunition, 75 backpacks, 51 combat gears." The report continues that "during the month of July, the FMLN found heroes in 22 companeros who died in the fighting." The station said that the rebels "damaged one UH-1H helicopter, three trucks, and one armored personnel carrier," as well as "39 electricity pylons, three power sub-stations, and El Angel sugar mill in Apopa."

(Clandestine) Radio Farabundo Marti in Spanish to El Salvador at 0000 GMT on 2 August carries three minutes of battle reports that include a report that "on 1 August END troops clashed with a Ponce Battalion unit in El Carrizal canton, Nueva Granada jurisdiction, Usulutan," inflicting "three casualties on the government troops." Another report states that in Guazapa "on 1 August at 1030, Pantera Battalion troops were caught in a mine field in (Los Mazariegos,) San Jose Guayabal jurisdiction. Two soldiers were killed by the explosions.

The clandestine station ends its reports by stating that urban commandos "on 27 July attacked Civil Defense units in the Costa Rica neighborhood, then proceeded to take the western positions and attacked the Civil Defense headquarters with granades and explosives, almost destroying the installations." As a result, the station says, "three casualties were inflicted on the paramilitary units" in San Salvador.

San Salvador Canal Doce Television in Spanish at 0300 GMT on 2 August carries a two-minute report issued by COPREFA on a 1 August FMLN attack against 1st Infantry Battalion positions in the northern section of San Salvador. "The Armed Forces said that the action began when FMLN urban guerrillas hurled explosives against a military patrol," wounding one soldier. "Meanwhile, five guerrillas and one soldier were killed in clashes in San Jose Las Flores, Chalatenango."

San Salvador Radio Cadena YSU at 1230 GMT on 2 August broadcasts a five-minute report that "two FMLN urban commandos, who attacked National Police, advanced positions on 1 August in Zacamil, were captured and identified as Adan Elias and [name indistinct]." The report continues that "two guerrillas were killed, and four rebels and two soldiers were wounded in fighting that broke out earlier in San Francisco Javier, Usulutan Department." In the same report, the station says that "a woman from the FMLN was wounded during clashes in El Llano canton, Morazan Department."

(Clandestine) Radio Venceremos in Spanish to El Salvador at 0000 GMT on 3 August carries three minutes of battle reports that include a report of fighting by FMLN rebels against "a company of the Vaquerano Battalion, 3rd Infantry Brigade, in El Llano, San Bartolo, Morazan Department. Several casualties were inflicted on the enemy during the 1 August fighting and one female END rebel was wounded, as COPREFA has reported." In another report the station says that "END units in La Libertad clashed with cavalry units in Santa Elena ranch, El Naranjal canton, Santa Tecla jurisdiction. The fighting took place at 0300 on 1 August and one casualty was inflicted on the cavalry unit."

Venceremos continues with a summary of damage caused by sabotage actions and reports that "four electrical pylons carrying power lines from the 5 November Dam to Apopa were damaged by END units on 1 August." On 2 August "three more electrical pylons were sabotaged" along the Pan-American Highway in San Cristobal canton, Lolotique Jurisdiction, San Miguel Department.

Paris AFP in Spanish at 1701 GMT on 3 August carries a 200-word report that says that "FMLN sources claimed that two policemen were killed on the night of 2 August during a dynamite attack on a San Salvador power substation. Meanwhile, COPREFA said that there had only been material damage at the substation." The report quotes COPREFA as saying that "an attack took place in the early hours of 3 August against a National Guard position in Tejutepeque, northeast of San Salvador, without causing casualties." AFP adds that "END commandos toppled three electrical pylons in San Buenaventura, Usulutan Department."

(Clandestine) Radio Venceremos in Spanish to El Salvador at 0000 GMT on 4 August carries six minutes of battle reports that include a report of clashes in Cuscatlan Department affirming that "on 3 August END rebels clashed with two companies of the Atlacatl Battalion," and Military Detachment No. 5 units who came to reinforce the Atlacatl Battalion. "One casualty was inflicted on the government troops."

In another report, Venceremos states that "two casualties were inflicted on a unit from Military Detachment

No. 1 that walked into a mine field in Las Canas Jurisdiction, Chalatenango."

Later in the broadcast the clandestine station files a "last minute report" on the fighting that began at 1300 in Villa El Triunfo, against the Ponce Battalion. The rebels report "killing 14 soldiers and taking four prisoners. The weapons seized up to now are as follows: two M-60 machine guns, four M-16 rifles, and one M-203 grenade launcher."

Guatemala

First Arrest Made in Homicide Chief Murder Case

PA0708034391 Mexico City NOTIMEX in Spanish 2349 GMT 6 Aug 91

[Excerpt] Guatemala City, 6 Aug (NOTIMEX)—The Guatemalan Government Ministry today reported that former National Police Officer Jesus Guerra Galindo was arrested today as an alleged accomplice in the murder case of Jose Miguel Merida Escobar, head of the Homicide Department of the National Police.

Guerra Galindo is the owner of the escape vehicle used by the persons who yesterday murdered Merida Escobar in front of the capital's National Police headquarters, Government Minister Fernando Hurtado said.

The head of the Homicide Department had been put in charge of investigating the murder—in September—of anthropologist Myrna Mack, and, according to sources, had made significant advances to clear up the case.

Foreign Minister Hurtado said that this first arrest opens the door that will lead to the other persons responsible for the crime and stressed that the investigations regarding the murders of the anthropologist and of Merida will not be halted.

Meanwhile, Human Rights Prosecutor Ramiro Leon Carpio disclosed that Merida Escobar had reported to that institution that he was being threatened by unidentified persons.

After condemning the incident, Leon Carpio said: "dark" forces attempt to take us back to the violent past and to ensure that the persons responsible for this crime go unpunished. [passage omitted]

Archbishopric Condemns Murder

PA0708042491 Mexico City NOTIMEX in Spanish 2157 GMT 6 Aug 91

[Text] Guatemala City, 6 Aug (NOTIMEX)—The Guatemalan archbishopric's human rights office today condemned the murder of Jose Miguel Merida Escobar, chief of the National Police's Homicide Department.

The office does not rule out the possibility that the 5 August murder was the work of "the Guatemalan state security forces" because Merida Escobar was investigating the murder of anthropologist Myrna Mack, which occurred in September 1990.

The chief of the homicide section was killed half a block from the National Police headquarters in this capital—by a gunman who shot him point-blank—and the action was repudiated by many social groups in Guatemala.

The police emphasized that the investigator had prepared a police report on the motives that led to Mack's murder. Prior to her murder, Mack was studying the Communities of the Resistance People (CPR), which have connections with the guerrilla groups.

The Catholic office said that Merida Escobar was summoned by the courts in June to conduct an investigation. He reportedly agreed to work on the case if he was guaranteed that he and his family could leave the country.

The archbishopric said that the investigator's departure was being processed so he could testify about his investigations to the OAS Inter-American Human Rights Commission.

According to the archbishopric, the testimony from the chief of homicide would prove the withholding of information and the participation of military officers in the murder of Mack, who was stabbed 20 times.

It added that—upon instructions from the National Defense Ministry—the 1st Penal Court of Guatemala received the name of one of the people who reportedly killed Noel de Jesus Peteta Alvarez, who worked in the Army.

The human rights office asked the international community to condemn this action, and it stated its interest in solving the case.

Rebel Attack Causes Nationwide Power Outage

PA0508233591 Panama City ACAN in Spanish 2107 GMT 5 Aug 91

[Text] Guatemala City, 5 Aug (ACAN-EFE)—Guatemalan President Jorge Serrano today said that the rebel attack against two utility towers that caused a nationwide power outage "does not favor in any way the peace process."

The president stated: "This antipatriotic action hurts me, it upsets me, and fills me with anger because it limits our possibility of expanding this service."

On 4 August a Guatemalan National Revolutionary Unity (URNG) commando unit dynamited two utility towers located on the outskirts of the Guatemalan capital, resulting in an eight-hour power outage in most of the nation.

On 5 August service had not yet been totally restored as the Electric Company and the National Institute of Electrification's (INDE) technicians are still trying to repair the damage caused by the rebels.

Serrano said that the URNG knew exactly what it was doing, as members attacked the northern line that goes from the Chixoy hydroelectric installations to the Guatemala City central energy station from where power is distributed nationwide.

"Unfortunately, those who blew up that line do not realize the scope of the damage caused to the community in terms of production, social, and development costs," Serrano stressed.

The president pointed out that it will take two to three days to bring back to normal the power supply; meanwhile there will be power rationing.

With regard to the peace process that the Government and the URNG "high command" are engaged in, Serrano said that the attack "does not favor" the peace process. Serrano noted, however, that the peace process will continue with the established agenda and that this incident will not hold it back.

"We understand all too well that this is a difficult process, but we all know that I will give it all I can, with all my heart and soul, but these irresponsible attitudes do create problems. Nevertheless, I have faith that some day there will be peace in Guatemala," the president stressed.

Honduras

Military To Request U.S. Envoy's Ouster

PA0608163991 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 6 Aug 91

[Text] It has been learned that sectors of the Honduran Armed Forces are willing to request the removal of U.S. Ambassador Cresencio Arcos. It is being unofficially reported that they will request that the U.S. ambassador in Honduras be declared persona non grata. Here is a report by Trino Murillo:

[Murillo] This is no longer a secret. It has spread throughout all sectors of Honduran society in the last few hours. U.S. Ambassador Cresencio Arcos is being seriously discussed within the Armed Forces and by sectors linked to the government because of the diplomat's recent statements to the press about the violent crime against Ricci Mabel Martinez Sevilla. It has been learned from reliable sources that Ambassador Arcos might even be declared persona non grata, which would automatically cause a confrontation between the government and the U.S. Embassy. The diplomat told the national press shortly after meeting with President Callejas that he viewed with extreme concern the efforts by the Armed Forces to cover up for some of their members involved in the two latest acts of violence, including the horrifying crime against teaching degree student Ricci Mabel Martinez. The diplomat said that those responsible should be tried and that the proceedings should be respected. He called for honest legal proceedings and for a rapid resolution of the case.

According to the reports, Arcos' remarks have been rejected by the Armed Forces as intervention in the country's domestic affairs. Many Armed Forces' members, along with civilian sectors of the government, want Washington to immediately remove its ambassador in the country. This is the information that has been learned by the country's media.

Ambassador Arcos' remarks, as is to be expected, are just the result of the U.S. policy on human rights and on the effective imparting of justice in our country or any other country with which the United States maintains close relations. The U.S. Government has lately undertaken a policy to reduce military expenditures and to watch over the correct administration of funds that it grants.

Washington's policy toward Central America is based on the maintainance of the strict control over the aid it grants, and obviously, on the respect for human rights and good administration of justice. Actually, it has been said that the intention—if there was indeed one—of using the adjectives of interventionist and meddlesome, reached extreme levels when Arcos condemned the crime committed against Ricci Mabel Martinez, as it was condemned by the entire Honduran society, including student groups.

The involvement of certain officers in that incident is perhaps the result of a maneuver to declare the U.S. ambassador persona non grata. Several labor and business leaders wondered during a meal yesterday if this was interventionism.

The United States provides most of the flow of economic resources as well as other kinds of resources in Honduras to help us cope with our problems. They have given us money to improve our justice and electoral systems, equipped the legislative branch with a computer system, built roads, schools, and housing, for education, health, agrarian reform, so on, and so forth.

People have wondered how this can be called interventionism. Many analysts would say that this is not new. The problem is that Dr. Arcos voiced his wish—which is also the wish of U.S. policy—that the legal steps be taken and that the full force of the law be applied to the culprits of any crime regardless of whether they are civilians or soldiers.

There is only one question to ask now: How true are claims that a maneuver is being plotted against the U.S. ambassador? What does the Honduran Government know? What instructions does the Republic's Foreign Ministry have? To what extent has U.S. power been able to neutralize what could turn into a confrontation between the government and U.S. Embassy? Is further explanation on this report warranted?

Ministry Requests ONUCA Border Supervision

PA0708042791 Mexico City NOTIMEX in Spanish 0010 GMT 7 Aug 91

[Text] Tegucigalpa, 6 Aug (NOTIMEX)—Honduras today asked the UN Observer Group in Central America

(ONUCA) to install surveillance posts on the Nicaraguan border because of the increase in area violence.

The Foreign Ministry addressed the request to ONUCA Chief Spanish General Victor Suanzes Pardo. The request was made because of the increased friction between Sandinists and former contras near the border.

The document stresses that the request seeks to avoid the risk that people from Nicaragua seeking to destabilize their government enter Honduras and use Honduran territory for their actions.

ONUCA must adopt these measures to avoid Honduran territory being used by war waging forces in violation of the Esquipulas II Accords, the will of the Honduran people, and international law, the document says.

The note was signed by Honduran Foreign Minister Mario Carias Zapata.

The ONUCA contingent has among its duties supervising the area's peace accords, preventing gun running, and verifying that no country uses the territory of another to attack a third country.

Unidentified Individuals Attack Italian Embassy

PA0608144491 Paris AFP in Spanish 0537 GMT 6 Aug 91

[Text] Tegucigalpa, 5 Aug (AFP)—Unidentified individuals opened fire at the Italian Embassy in Tegucigalpa over the weekend but there were no casualties or property damage, police have reported.

The incident occurred on 3 August when unidentified individuals opened fire with automatic weapons from a moving vehicle.

One of the guards at the diplomatic mission returned the fire but it is not known whether he hit the vehicle or any of its passengers, the report added.

Panama

Cuban Delegation Denies Supporting Subversion

PA0608192691 Panama City LA PRENSA in Spanish 6 Aug 91 p 20-A

[Report by Manuel Alvarez Cedeno]

[Text] The Cuban Government has denied U.S. press reports that the communist regime of Fidel Castro is supporting an alleged terrorist escalation of the so-called 20 December Movement (M-20). The terrorist actions would be directed against the Panamanian Government and private enterprise.

Roberto Bello, president of the foreign relations committee of the National Assembly of the People's Government of Cuba, has said in Panama City that the unofficial reports released in Panama "are completely false."

Several Panamanian legislators met with a delegation of Cuban legislators after participating in a meeting of the Latin American parliament, which was held in Colombia.

Lieutenant Colonel Jack Kingston, a member of the U.S. Army Reserves, has said that the M-20 has close ties with the Cuban Government and is preparing a "terrorist offensive" against the government of President Guillermo Endara and against Panamanian private enterprise.

"That is false. It is all a part of the act directed by (U.S.) imperialism and aimed at staining the image of the Cuban Revolution. We are promoting relations between governments and parliaments, not subversion," Bello stressed.

He added that his country "has never supported subversion and never will."

Relations between Panama and Cuba reached their lowest level after the U.S. invasion of Panama in December 1989, when several backers of General Manuel Antonio Noriega sought protection at the Cuban Embassy in Panama City.

The Castro regime has been repeatedly accused of backing subversion in several Latin American countries.

Endara Denies Colombian Guerrillas in Countryside

PA0308042591 Panama City Circuito RPC Television in Spanish 2300 GMT 2 Aug 91

[Excerpt] On several occasions through various media sources, Assistant District Attorney Carlos Herrera Moran has claimed that there are guerrilla groups in the countryside, specifically in Darien Province. One basis for such a claim is the arrest of Juan McKenzie, who, according to the authorities, belongs to the so-called M-20 [20 December Movement]. However, President Guillermo Endara today denied that claim:

[Begin recording] [Endara] There is no confirmation or serious indication that such guerrilla groups exist. I think we can say that there is peace throughout the Republic and that there is no guerrilla outbreak anywhere in the Republic.

[Reporter] What about the case of Mr. Juan McKenzie, who has been linked to the M-20? It has been rumored that he belongs to this guerrilla group. Why is he under arrest if nothing has been confirmed yet?

[Endara] As for McKenzie, I must say that we would have to ask the Public Prosecutor's Office or PTJ [Technical Judicial Police] for the evidence. However, I confess that I know nothing about Mr. McKenzie. [end recording] [passage omitted]

Further on Guerrillas

PA0308170791 Panama City EL SIGLO in Spanish 3 Aug 91 p 7

[Report by Aneldo Arosemana]

[Text] A U.S. Department of State document entitled "Patterns of World Terrorism 1990" published last April confirms that there is guerrilla activity along the border between Panama and Colombia. At the same time, EL SIGLO has learned that the Panamanian Government will not proceed against the guerrillas, based on an agreement with Colombia, lest the peace talks between the guerrillas and the administration of Cesar Gaviria be hampered.

In addition, a government source has told this reporter that a document filed by the police after a site inspection of the mountainous region of Darien Province shows the existence of guerrilla training camps where approximately 200 members of the pro-Castro Revolutionary Armed Forces of Colombia [FARC] are allegedly receiving training. The legendary Manuel Marulanda, "Tirofijo," FARC's leader, is negotiating an agreement with the Colombian Government that will allow the opposition to function in Colombia, as well as the incorporation of guerrillas into civilian life.

This report was submitted last week to President Guillermo Endara, Assistant District Attorney Carlos Herrera, on behalf of the Attorney General's Office, and National Police Director Gonzalo Menendez Franco. The 470th Intelligence Brigade of the U.S. Army South has a copy of the report.

Through its embassy in Panama, the Colombian Government has asked the Panamanian Government to adopt a tolerant attitude with regard to the guerrilla presence in the Obaldia Port area, Darien Province, so as not to hamper the negotiations between the guerrillas and the Colombian Government. Our source, however, believed the situation in the region to be one that involves "national security."

The Council for Public Security and National Defense has discussed alternatives to deal with the situation, such as strengthening surveillance along the border and conducting military operations to remove the guerrillas. The shortage of equipment and weapons, logistical problems, as well as the ongoing negotiations in Colombia, pose obtacles to the government actions.

A U.S. State Department report issued in Washington and signed by counterterrorism coordinator [title as published] Morris D. Busby, stated that "The (Panamanian) Government is taking steps to curb the aid given by the Noriega regime to Colombia's FARC and El Salvador's Farabundo Marti National Liberation Front. Nevertheless, FARC continues to operate in areas where the government has little control, chiefly along the border. [no end quotation mark as published]

There have been contradictory reports with regard to the guerrilla presence. Whereas Government and Justice Minister Juan Chevalier and Judicial Technical Police Director Oswaldo Fernando deny this is happening, Assistant District Attorney Carlos Herrera assures that guerrilla movements have been detected and refers to a film of installations taken by the National Air Service.

He also adds that FARC is training Panamanians, allegedly belonging to the clandestine M-20 [20 December Movement], in the Obaldia Port area, located less that 10 km from the border with Colombia.

Colombia Denies Arranging FARC Presence

PA0708003991 Panama City EL SIGLO in Spanish 6 Aug 91 p 34

[Text] Colombian Embassy Charge d'Affaires Arnaldo Piedrahita has denied that his government has arranged for Panama to show certain tolerance toward Colombian guerrillas in Panama. Piedrahita said that the Colombian Government wishes to contact Panamanian intelligence to ascertain whether there are FARC [Revolutionary Armed Forces of Colombia] or other guerrilla groups inside Panamanian territory.

Piedrahita stressed that at no time has his government arranged to allow the presence of guerrillas in Panama and whoever "supplied this information is mistaken."

A secret report gleaned by EL SIGLO stated that the Panamanian Government would not interfere with the Colombian guerrillas supposedly camped near the Darien border so as not to hamper Colombian President Cesar Gaviria's peace efforts with the guerrillas.

A U.S. State Department document entitled "World Terrorism Patterns 1990" [Patrones del Terrorismo Mundial 1990], mentions terrorist activity near the Panama and Colombian border. It also states that the FARC guerrillas, under the command of Manuel Marulanda, alias Tirofijo, a guerrilla in his sixties, are used to escaping into Darien territory in Panama whenever they are harassed by Colombian military forces. In Darien the guerrillas "rest," knowing that the soldiers who chase them will not go over the Panamaian border.

In addition, persistent rumors tell of alleged M-20 [20 December Movement] members, all Panamanians, who train within the ranks of the Colombian guerrillas camped in the Darien jungle. The Panamanian authorities, however, have given contradictory replies as to whether Colombian guerrillas are inside Panamanian territory. While Government and Justice Minister Juan Chevalier and Judicial Technical Police Director Oswaldo Fernandez deny there are guerrillas inside Panamanian territory, Assistant Prosecutor Carlos Herrera Moran says there are irregularities in Darien and mentions video footage and photographs of guerrilla camps there.

Government Asked for Canal Administration Plan

PA0608043591 Panama City LA ESTRELLA DE PANAMA in Spanish 5 Aug 91 p A-4

[Editorial: "The Uncertain Strategy Regarding the Future of the Panama Canal"]

[Text] In statements made recently to the media, Panama Canal Administrator Engineer Gilberto Guardia suggested

the need for the establishment of an apolitical and mainly professional commission that will be responsible for the administration of the waterway and instaliations that must revert to Panama on 31 December 1999. Guardia said that, despite the delay in the organization of this commission, it is expected that its members will be thorough and well-balanced persons. Guardia stressed that the government is interested in putting forth its best efforts to define the type of organization that must be established by the year 2000 when our country must assume its duty of receiving the waterway and maintaining it in perfect working condition.

Since the implementation of the Torrijos-Carter Treaties much has been said about the obligation the Panamanians have to be adequately prepared to assume their historic responsibility. Since the days of the former regime criticism has been heard regarding the sluggishness and laziness of our leaders in preparing for the year 2000. All kinds of suggestions have been made to confront this crucial transfer. In approximately eight years this important waterway will revert to Panamanian hands. Likewise, all sorts of promises have been made regarding the creation of an institution that will take over the management of the waterway with seriousness, clear goals, and responsibility. Despite all that has been suggested and said, the government has not been able to present our people with a plan that will show us that by the year 2000 the Panamanian people will be capable of managing the canal efficiently.

The Panamanian people's capacity to manage an important enterprise, such as the Panama Canal, has been repeatedly questioned. In this regard, we are sure that within the government and among the private sector there are persons who are qualified to handle the waterway. However, just like the current administrator has said, we need to separate the management of the waterway from national political interests. The improvised manner in which the Panamanian politicians handle the government institutions is not a secret to anyone. This traditional practice demands an apolitical handling of all matters pertaining to the Panama Canal. The Panamanian people have a moral obligation to the rest of the world. We must respond efficiently to the historic support we have received from the world in our struggles for national sovereignty and for the return of the canal area to Panamanian hands.

However, we cannot help but worry that, at this moment, we have no set plan on how the Panama Canal will be managed as of 1 January 2000. We are only a few years from that historic date and the government must put forth every effort to prove to us that we are capable of efficiently managing the important waterway.

Report Predicts 'Chaos' in Canal Area

PA0608220191 Panama City LA PRENSA (CORREO ECONOMICO Supplement) in Spanish 5 Aug 91 pp 4, 5

[Report by Alina Guerrero: "Chaos in the Canal Area"]

[Text] The United States has set in motion a plan to gradually withdraw from its military installations in Panama, and it has announced that by 1992 it plans to surrender to Panama the Albrook and Kobbe bases and 35 fuel tanks located on the Atlantic side.

This situation will directly and indirectly affect thousands of Panamanians.

According to reports obtained by CORREO ECONOMICO, 5,719 Panamanians work for the Armed Forces in Panama.

According to information obtained from the Southern Command personnel office, 153 employees are currently eligible for retirement under the U.S. Civil Service system and 890 will be eligible by 1999. The rest of the employees are covered by Panama's social security, which means that most of them will be fired. The reports obtained state that in 1990 the Panamanian employees received $89.2 million in salaries.

Americans spent $40.5 million in merchandise and $67.8 million in services. Contractual payments totaled $32.1 million and retirement annuities totaled $78.4 million. Expenses by military and civilian personnel at supermarkets and stores and for domestic services and rent totaled $59.5 million. This means that the Department of Defense spent $367.5 million in Panama.

The money that entered the economy through the Panama canal was estimated at $340 million. This means that over $700 million entered the Panamanian economy from U.S. agencies in 1990.

With the gradual withdrawal Panama's economy will suffer a "very strong" negative impact, said former canal commission administrator Fernando Manfredo. According to Manfredo, between 1995 and 1999 the United States only plans to keep its installations in Rodman, Howard, and Quarry Heights. The Army employs 3,000 Panamanians and 300 are employed at Howard.

Manfredo told CORREO ECONOMICO that "serious and professional work is necessary, but a very simple solution has been found: to tell the U.S. Government not to fire the employees until 1995, and I cannot see the United States maintaining employees who are not necessary." He added that the infrastructures that are being reverted to Panama "can be made to produce rapidly so that they will begin to generate income and provide jobs."

The situation is worsening because the government does not have an organization that will assume control of the installations, nor does it have a plan to replace the $700 million that is entering the Panamanian economy, nor does it know what it will do with the thousands who will be unemployed.

An ad hoc commission that has studied what to do in light of this situation has recommended that President Guillermo Endara create a ministry or an autonomous institution, but this recommendation is only a draft.

The idea behind this recommendation is that, even though the government would be the principal administrator, the private sector would be a shareholder. It is the private sector that would make the investments. The Cabinet has not approved this recommendation and, therefore, the Legislative Assembly has not even taken up the issue. Meanwhile, the Planning and Economic Policy Ministry [MIPPE] is studying the "terms of reference" of the plan to organize the reverted areas.

Of the total 147,400 hectares that were specified at the signing of the canal treaties in 1977, 92,291 have been reverted. Out of this amount, 19,000 hectares are located in urban areas and are available for urban use.

Architect Jorge Riba, a member of the ad hoc commission, delivered to the government plans on the areas that could be developed into urban areas and that already belong to Panama. Riba told the CORREO ECONOMICO that on the Atlantic side there are 3,098 hectares that could be developed into urban areas and on the Pacific side 7,951 heactares.

The potential market value of some parts of the reverted areas was estimated in 1983 by the company Robert Nathan and Associates and the Association of Real Estate Owners of Panama at $6.3 billion: 86 percent comprising land yet to be developed and the rest to urban areas already developed.

Riba said that the estimated value of the reverted areas that can be developed into urban areas is $2.2 billion and once developed they would be worth $10 billion. Only 12 percent of the land available for urban development has been developed. The majority of these areas have been used for emergency neighborhoods in Veracruz and Arraijan.

Deputy Olimpo Saenz, a member of the ad hoc commission, told the CORREO ECONOMICO that a project had been submitted to the government to organize a ministry that "would be responsible to administer, keep an inventory, and promote the exploitation of those resources that are just lying there on one of Panama's most expensive strips of land."

Saenz said that this could be a state or a mixed institution, but, "the nation has to go out and tell the world we have this resource available."

The canal's banks (reverted areas) have a value of $20 to $30 billion, according to Saenz.

"This is a rich land of poor people, because we lack initiative, creativity, courage, and the national political will to understand that these areas should be exploited for the benefit of the masses," Saenz added.

According to Saenz, "we are afraid to enter the Panama Canal, to feel free for the first time, to realize that this resource is going to be ours, and to assume the responsibility of that enterprise."

Saenz explained that by 1995 Panama has to start administrating all the military bases on the Atlantic side. The 10,000 soldiers currently deployed there will be reduced to 5,000.

The United States is willing to leave before the year 2000, "if we Panamanians are ready to assume our responsibility," Sanez said.

"The commission (ad hoc) is working on feasible short- and medium-term alternatives for the optimum utilization of those resources,," Saenz reported. Saenz stated that this month the United States "was going to turn over to Panama the Albrook and Kobbe Bases," but since Panama had no plans for the development of these areas, the authorities asked the United States to put this off until August 1992.

"It would be very irresponsible on our part to tell them to turn over the bases and then allow them to turn into ruins.

"To tell the truth, we Panamanians currently are not ready to receive these bases; however, we must be responsible and seriously prepare ourselves," Saenz added.

A 1987 Southern Command report stated that in 1986 the U.S. Army contributed and estimated $199.876 million to the Panamanian economy. This represents 37.5 percent of Panama's income from the canal area.

The total income in 1986 from all the U.S. Government agencies in Panama was $577.3 million.

During the last decade, the U.S. Department of Defense paid Panama the following:

- 1980: $192.9 million
- 1981: $205.6 million
- 1982: $231.0 million
- 1983: $239.3 million
- 1984: $236.9 million
- 1985: $268.7 million
- 1986: $266.0 million
- 1987: $282.1 million
- 1988: $289.0 million
- 1989: $291.0 million
- 1990: $367.5 million

There are 10,300 military employees and 8,400 civilian employees in the Southern Command; of these, 72 percent are Panamanians.

The gross income in 1990, derived from the U.S. agencies operating in the Canal area, were unofficially estimated at $540 million.

If the United States does not withdraw from Panama until 2000, more than $2 billion would enter the Panamanian economy.

The United States maintains defense sites in Panama such as: Fort Clayton, Fort Davis, Fort Sherman, Fort Kobbe, Rodman Naval Base, Marine Barracks, Albrook Air Force Base, Galeta Island, U.S. Naval transisthmian

oil pipeline, a general deposit area on the Atlantic side, a long distance radar site at Cerro Semaforo, communications links, Quarry Heights, Fort Amador, and Fort Gullick [sentence as published].

Other installations maintained by the United States are: Pina Range, Balboa West Range, Cerro Gordo, Marde Corps Barracks, Cocoli, Margarita, Gatun Tank Farm, Arraijan Tank Farm, Gamboa, and Gorgas Hospital.

In the late 1970's and during the 1980's the following installations were transferred to Panama: Part of the Army's installations in Fort Amador, including 17 buildings and offices. The remaining Army installation is a coordinated area for military housing.

"The U.S. forces will retain in Fort Amador the family housing and community services facilities (library, gas station, theater, chapel, golf course, and officers' club) until some time during the term of the treaties when they no longer will be needed," a Southern Command report states.

The following installations have reverted to Panama: the Albrook AFB [air force base] air field, landing strip, and buildings belonging to the former Panama Air Depot; the buildings now occupied by the Ministry of Public Works and Social Security Fund warehouses; 98 housing units in Curundu Heights, two housing units in Quarry Heights, and eight houses on Fort Amador; 67 houses on France Field on the Atlantic side; and all buildings and barracks at Fort Gulick, including the buildings that housed the School of the Americas. In the Panama Canal area: Cristobal, Coco Solo, and Balboa ports; the Balboa Dry Dock; maritime fuel oil supply installations, and the Panama Railroad have been turned over to Panama.

Preliminary Plan

Preliminary studies and planning began in early 1986, when the U.S. Department of Defense preliminary treaty implementation plan, a draft plan for the orderly and programmed phased pull-out from Panama, went into effect.

The move will affect some 10,000 U.S. troops assigned to the Southern Command in Panama, 10 primarily U.S. military installations, and other military installations. This preliminary plan was developed by the U.S. Joint Chiefs of Staff in conjunction with U.S. Southern Command Headquarters and component services, and the office of the Secretary of Defense.

The places currently being considered for the new home of the Southern Command main offices are Florida (two), Louisiana (three), and Texas (two). According to estimates made by INDESA, a private study group, the value of the military installation's assets that will revert to Panama are: Housing worth $191.3 million, other structures worth $311.5 million, developed areas worth $91.1 million, and undeveloped areas for $337.5 million, for a total of $931.4 million.

According to a recent speech by [former Panama Canal Deputy Administrator] Fernando Manfredo, the following installations will revert to Panama: Housing units, public buildings, hospitals, scientific and tropical research installations, school buildings, and part of Ancon Hill in Ancon; the Panama Canal Commission building, housing, and public areas in Balboa Heights; and the Southcom Headquarters offices in Quarry Heights.

Balboa, La Boca: residential, commercial, and educational buildings and industrial and public areas.

Amador: offices of the Naval Command and Army Brigade and military installations.

Diablo Heights: houses and schools.

Albrook, Curundu: hangars of the Inter-American Air Force Academy, housing, and administrative buildings of the Southern Command.

Corozal: an antenna field, warehouses, and military buildings.

Los Rios: housing, administrative buildings, health center, and military training areas.

Gamboa: Canal dredging division, houses, recreational installations, and schools.

Fort Kobbe, Howard, Rodman, and Cocoli: former residential areas, airport, docking facilities, health center, educational buildings, and recreational areas.

Empire Range: rural area for military training to test weapons, many of which are partially buried and unexploded.

Certification

Manfredo said that the Panamanian Government should request that the United States certify that when the training areas revert back to Panama, they will be "free of danger." Since it was signed, the economic impact of the Panama Canal Treaty on the Panamanian economy has amounted to $25 billion.

Nearly $340 million from the Panama Canal Commission entered the Panamanian economy in 1990. Approximately 40 percent of that total, in other words, more than $153 million, consisted of wages and salaries paid to 7,300 Panamanian employees of the commission. Of that total, $19 million was paid to the Panamanian Government in income tax, education insurance, and social security deductions.

The treaty payments include $58 million for the payment of 38 cents per each ton that goes through the Panama Canal, $10 million for the annual payment, and another $10 million for services rendered to the Canal Commission.

According to the 1977 pact and contrary to the situation with the Armed Forces employment, Panamanian employment at the canal will increase.

In 1979 5,521 Panamanians worked at the canal. Today the number has increased to 7,300 and the number of non-Panamanian workers decreased to 1,115.

Executive positions occupied by Panamanians increased from 7.1 percent to 34.8 percent.

From 1979 to 1989, Panama received $687 million from the Canal Commission for the operation and the protection of the canal, and it is estimated that Panama will receive approximately $700 million between 1989 and 1999.

At the end of 1999 Panama will also receive $202.8 million for police and fire protection services, refuse collection, and maintenance of streets and lights.

Ray Bishop, secretary general of the Armed Forces Employees Union, explained that 1,200 Panamanians will be left without jobs betweeen 1991 and 1995. This includes cooks, laborers, doctors, engineers, mechanics, teachers, and architects. Their average salary is $1,200, in addition to life and hospital insurance and retirement.

According to Bishop, the employees have asked the Panamanian Government to renegotiate the military bases and the postponement of the scheduled dismissals.

The foreign ministry told the U.S. Embassy that the Panamanian Government does "not estimate it is opportune" to negotiate a new agreement that will allow the U.S. military forces to remain in Panama after 1999.

Meanwhile, President Endara has stated that the government is taking steps to get a "suspension or postponement" of the reduction of Panamanian personnel at the military bases "until the economic situation in Panama improves."

The government, with or without the private sector's aid, has time against it. Fourteen years have elapsed since the Canal treaties were signed and, although several commissions have been appointed to develop the reverted areas, very little or nothing has been done.

To the contrary, a great amount of infrastructure has deteriorated. The government not only has to solve the problem of the progressive firing of Panamanian personnel but also has to plan the future use of the thousands of hectares that have already reverted to Panama and the thousands that will revert gradually.

As planned, a government organization, with the help of the private sector, must begin as soon as possible to take advantage of all the rich areas that border the interoceanic channel.

Arias Denies Announcing Candidacy for 1994

PA0608202891 Panama City LA PRENSA in Spanish 6 Aug 91 p 1

[Report by Althea Foster de Chavarria]

[Text] First Vice President Ricardo Arias Calderon yesterday denied that he has announced his 1994 presidential candidacy. He said: "This is no time to talk about candidacies. I did not talk about any specific PDC [Christian Democratic Party] candidacy. I said that all parties must take notice of our democracy's constitutional cycle [ritmo] that specifies that the next elections will be held in 1994 and not before, Arias pointed out. He said that the constitution states that all government changes should be the result of an electoral process and "all democratic parties, the PDC in particular, must accept this constitutional cycle."

In this regard, Arias insisted that democratic parties must prepare for that day because the electoral process requires ardous and intense work "because there is much to be done in the remaining time and the country demands that we accomplish them."

He underscored the need to implement fully the national budget in order to revive the economy and solve the country's social problems.

"We have also stressed the need for a social pact between industrialists and workers and for the modernization of the Panamanian state and government," Arias added.

He noted that the first step to prepare for the elections is to solve the problems facing the country, "and we, Christian Democrats, have been busy at that."

"We have at no time announced a specific candidacy; a careful analysis of all the statements in question will confirm what I am now saying," Arias said.

The opposition leader reaffirmed the urgent need for the main political forces to achieve national unity and to assume the management and operation of the canal.

In this regard, Arias said that all political and social forces without exception must be called to participate in a discussion of the responsibilities that will be entailed in assuming control of the interoceanic waterway.

Meanwhile, Gerardo Gonzalez, president of the Democratic Revolutionary Party (PRD), pointed out that he is pleased that the PDC agrees with the PRD on the need to achieve national unity with regard to the country's most urgent demands.

He noted, however, that this does not imply a political pact, because the PRD will agree to no pact with any of the political forces of the "Clayton regime" [reference to U.S. Army base where Panamanian leaders were installed].

Former Defense Force Reportedly Organizes Group

PA0608040791 Panama City LA PRENSA in Spanish 5 Aug 91 p 1-a

[Report by Vilma E. Figueroa B.]

[Excerpt] Elite military units that were formerly a part of the Macho de Monte and Expedicionaria companies in Cocle Province under the past regime have kept in contact with former Colonel Anibal Maylin, former Major Francisco Porras and current Public Force Major

German Pinzon, who have organized a kind of fraternal "lodge" that hopes to "return to the past," according to an intelligence report to which LA PRENSA had access.

The report states that the group from the Macho de Monte, the company that saved Manuel Antonio Noriega during coup attempts in March and October 1989, is a "breeding ground" for promoting a return to the past, based on the conviction that the U.S. military will not intervene to crush a new rebellion.

The report adds that, to this end, the group meets in the Rio Hato area at the place known as "Los Pollos," where Porras provides refreshments and gives orders to the policemen, most of whom have become "demoralized," because of the situation prevailing within the institution. [passage omitted]

Argentina

Reportage on Visit by Vice President Quayle

Menem, Quayle Sign Agreements

PY0708015691 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1728 GMT 6 Aug 91

[Text] Buenos Aires, 6 Aug (NA)—President Carlos Menem said today that Argentine space policy "is clear and totally consistent with important international instruments" in this field. He confirmed the firm intention that technological projects "will remain exclusively subordinated to civilian power."

Speaking at a ceremony for the signing of cooperation agreements between the United States and Argentina at the White Hall of Government House, which was attended by U.S. Vice President Dan Quayle, Menem emphasized that his administration has the political will "to advance in the process of greater bilateral cooperation."

Representatives of the two governments signed two $800,000 investment agreements for U.S. assistance in the areas of mining and tourism development, while the other agreements involved the peaceful use of space.

The president said that the signing of these agreements represents "an extremely important action." He emphasized that it is "particularly auspicious" that the National Commission for Space Activities (CNAE) will be born into international life "hand-in-hand with the most reputable institution in this field, namely NASA."

Moving on, Menem indicated that Argentina will begin these cooperation efforts "with realistic and viable projects inspired by exclusively peaceful objectives."

Menem added: "The advanced technological development necessary for space activities will remain directly and exclusively subordinated to civilian power."

Menem stressed: "Argentina and the United States raise their eyes beyond their territory, toward progress, toward a common, peaceful, and universal sky."

Concerning the cooperation programs in the fields of tourism development and mining, Menem said that the cooperation program for tourism development "will contribute to promoting tourism activities that have an extremely high potential in both territories."

In conclusion, Menem said: "The mining cooperation program will receive an important contribution in dollars from the U.S. commerce and development program. Therefore, these three events clearly demonstrate that our good relations are not just reflected by words, but by deeds."

Communique Released on Visit

PY0708025691 Buenos Aires TELAM in Spanish 2051 GMT 6 Aug 91

[Text] Buenos Aires, 6 Aug (TELAM)—On receiving U.S. Vice President Dan Quayle at Government House at noon today, President Carlos Menem said that Argentina and the United States "have a common destiny," and "despite the differences in development, we are moving toward this common destiny." He added that Quayle's visit to Argentina "shows the excellent relations that currently exist" between the two countries.

This report was included in a communique released by presidential spokesman Humberto Toledo this afternoon at the Government House press room.

Quayle expressed thanks on behalf of President George Bush for "Argentine participation in the Persian Gulf conflict, [no closing quotation mark as received] and added that Menem "has demonstrated willingness and firmness."

Quayle also expressed "thanks for the Argentine vote in Geneva when the issue of human rights in Cuba was addressed. President Bush, in particular, appreciated the importance of that vote," the official communique added.

It noted that the United States considers the Argentine decision to abolish the Condor project and to sign an agreement with Brazil on the peaceful use of nuclear energy to be "of great importance not only in the political sector, but also for commercial and bilateral relations."

"When things are better for Argentina, it will be better for the United States," Quayle said, according to Toledo's communique, which also revealed Menem's opinion that the decisions made by his government comply with the fact that he "sees nuclear development as a path leading to peace, not war."

Regarding the vote on Cuba, Menem said Cuba "must find a way to democracy," because "people must elect their government leaders in democracy and freedom."

He stressed Argentine interest in Mercosur [Common Market of the South] and the signing of a border agreement with Chile, in addition to concerns over protection of the environment and the drug trafficking problem, which "must be handled and solved," Menem said.

During his chat with Quayle, the Argentine president also mentioned "progress in the privatization process and the agreements that have been achieved with the participation of Congress," according to the communique.

The communique signed by Toledo concluded by stating that "the president expressed concern over the problem of U.S. grain sales at subsidized prices."

"This unbalances us. We must consider this situation because we are friends, but we also have interests to defend. We understand that there are major problems between the United States and Europe, but Argentina

does not wish to remain unbalanced. We do not want to take on the war of subsidies," Menem concluded.

Departs for Brazil

PY0708140291 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1310 GMT 7 Aug 91

[Text] Buenos Aires, 7 Aug (NA) — U.S. Vice President Dan Quayle departed this morning for Brazil after a 36-hour official visit.

Quayle was seen off by Carlos Ortiz de Rozas, Argentine ambassador to the United States, and by Terence Todman, U.S. ambassador to Argentina.

Foreign Minister Explains Chile Border Agreement

PY0608123891 Buenos Aires Radio and Television Networks in Spanish 2302 GMT 5 Aug 91

[Address to the nation by Foreign Minister Guido di Tella, place not given—live or recorded]

[Text] Fellow countrymen, ladies and gentlemen: A few days ago—to be more precise, on Friday 2 August—President Carlos Menem and the president of the sister Republic of Chile, Patricio Aylwin, signed a package of very significant agreements. This move closed a chapter of disagreements and opened a new page of prosperity and peace in our history. A new era, free of controversy over borders, a new era marked by development, growth, and integration, has started.

We are well aware that the problems with our borders are very sensitive for all Argentine citizens because nation, fatherland, sovereignty, and territory are bound in an inseparable manner. I can assure you that all these aspects are considered and defended in each and every decision taken by our national government. We are also well aware that there are many doubts in the air, doubts that result from the fact that every negotiation related to the demarcation of our borders must be handled in a discreet and secret manner. This situation has prevented us from fully informing the citizenry about the issue.

Therefore, the president of the nation has specifically asked me to give a detailed account on the border agreements reached because sovereignty concerns us all, not just the experts and diplomatic negotiators.

First, I want to reassure each and every Argentine woman and man that this government, like other governments in the past, has defended Argentine territory, its interests, and its sovereignty without relinquishing anything. Throughout these negotiations we have been inspired and guided by the memory of great Argentine personalities like Julio Argentino Roca—who is even named after his country—Perito Moreno, and many others who proffered their national devotion and passion in the defense of our sovereignty in the areas that were in dispute at the beginning of this century.

These agreements, signed nearly 100 years later, are the best tribute and sign of loyalty that our generation can give our forefathers who also defended the fatherland.

This is yet another of the many brilliant and vigorous moments of our foreign policy's history because it is a vital and renewed contribution toward the opening and integration of our countries in the region, Latin America, and the world.

I now want to clearly explain the points still in dispute, the points agreed upon, what we have done, what would have happened had we not reached these agreements, and the future as established by this agreement.

I want to especially emphasize that this agreement ends border disputes between Argentina and Chile forever. I repeat. It represents a complete end to a history which as recently as 1978 led us to the brink of a criminal and foolish war with our Chilean brothers. His holiness the pope intervened and avoided that horrendous development in our region.

Today, with happiness and pride, Argentine and Chilean citizens are able to celebrate and show the entire world how we have solved border problems along a border that is more then 5,000 km long, the third longest border in the world, in a peaceful way.

In 1984 the citizenry was told that all border disputes with Chile had been resolved, and this is true. With the signing of the peace agreement with Chile that year, our two countries managed to resolve the border disputes. However, that which was established in 1902—the demarcation of these borders—was still pending. I refer to the placement of intermediate marker posts between the main marker posts. There were still 24 sections of the border like that. We encountered no problems in establishing the border markers in 22 of these sections because the high peaks that divide our two territories are clear and precise.

As in 1902 and again now, in one area—I am talking about the huge mass of continental ice—it is very difficult to determine the exact location of the high peaks that divide the oceans.

The high peaks are covered by ice. For those who are not familiar with that zone, these are huge masses of permanent ice that cover the high peaks.

We, Argentines and Chileans, have agreed to establish the border between the Fitzroy border marker and the (Dode) border marker. We have run a traverse between certain unequivocal points along the border, a traverse that at no time crosses the Argentine lakes, and ends at the (Dode) hill. Therefore, 1,057 square kilometers belong to Chile and 1,278 square kilometers to Argentina.

Without this agreement, we would have had to subject that area to international arbitration. Given the abovementioned technical difficulties, this would have meant prolonging the dispute into the next century, maintaining instability and creating new controversies.

In Laguna del Desierto, the disagreement with the Chilean authorities with respect to the position of the local water divide made it inevitable to resort to arbitration. This is the section running from border marker 62 to the Fitzroy border marker. There are two borders there: one that we consider correct for us and one further East which the Chileans recognize.

We have complete security that ... [changes thought] The records that we have, the presence of Argentine citizens in the area, the properties owned by Argentine citizens in the same area, and the unequivocal technical records lead us to fully believe that the judges will decide favorably on our rights.

The ever-present idea—in Latin America in general and in our southern region in particular—to cooperate in resolving their common need for development and growth, must start with full and total fraternity between Argentina and Chile.

The agreements that have been signed will allow us to go from an uncertain border to a certain one, to a border of peace, and from a zone of common underdevelopment to one of common prosperity.

But these agreements contain much more. Let us now take a look at the entire border with Chile.

These agreements, for example, have opened the possibility of using the (Cama) Pass, long desired by the northern provinces. The possibility of mining border zones has been opened, permitting large investments in some provinces, including San Juan Province, among others.

Traffic through the Libertadores Pass has been freed up. Quotas have been outlined, permitting access to the Chilean market and, through other agreements, allowing the passage of products from all over Argentina, especially from the border zone, Mendoza Province, Rio Negro Province, and Neuquen Province, to Pacific ports.

In other words, we have opened up the mountain range and our products can reach the Pacific and be exported from there. This is extremely important, particularly given the importance that the Pacific Basin is gaining as an economic bloc.

We have laid the foundations for exporting gas from Neuquen Province to Santiago. This involves more than $120 million in exports per year and represents positive and fruitful integration for our country.

We have also achieved the opposite, that is, the supply of Chilean gas to Rio Turbio. This necessary step was opened through one of the agreements.

The agreements also contemplate joint oil exploitation in the Magallanes area. They also contemplate propane and butane exports from Tierra del Fuego to Chile.

We have also agreed to maintain a common ecology policy in the Antarctic. I wish to point out that Chile recognizes our sovereign rights over the Antarctic just as we recognize Chilean rights over that continent. This group of really significant measures complement the border agreements. However, it should be clearly understood that we have not been forced to exchange one thing for the other.

I now wish to make some comments about the agreements. Had we not done what we did regarding Laguna del Desierto, we would have become involved in a very ambiguous situation and the Republic of Chile could have unilaterally decided to solve the case through arbitration. Had Argentina not accepted this, it would have violated the 1984 agreement, which in turn could have led to a tense situation and, as I have already mentioned, would have brought back nefarious memories to Argentine and Chileans. Let us not forget what happened in 1978.

Thanks to the spirit of cooperation that prevails between our two countries, we have jointly chosen the arbitrators who will solve the dispute over Laguna del Desierto. These chosen people, unlike other occasions, are outstanding Latin American jurists.

We are aware that nobody understands Latin America better than Latin America itself. Latin Americans are the ones who most need to turn our continent, our region, into a land of peace, harmony, and understanding.

Another point refers to the intervention and responsibility of the peoples' representatives in Congress. They will have the last word in the agreement over the glaciers and ice fields. We are aware that there are different opinions on this matter and that there are many people who favor an arbitrated solution for the glaciers and ice fields problem. Congress will have the last say in the matter.

A country that is unable to solve its border problems with its neighbors harms its border provinces. At this point, I want to especially address the provincial authorities and people of Santa Cruz. We are aware of your anguish, efforts, passion, and dedication with which you guard each and every inch of that precious and irreplaceable area of our territory and we know that you do so in the most noble manner, that is, working and dealing not only with the weather, which at time is very trying, but also with governments that, throughout history, have not justly honored your very just demands.

Peace, an all-important condition which has been definitely consolidated today, benefits the entire country but, in particular, the border provinces. We must not forget that wars are usually waged in border areas.

Let us think of the changes in the region following the elimination of the reasons for border tensions, let us think about the changes in Entre Rios, Corrientes, and in Misiones once we were able to solve and overcome the tense atmosphere between Argentina and Brazil, which—although we may find it hard to believe—also existed, and how this change has allowed this northeastern Argentine region to pull itself out of its isolation.

As our presidents stated, these agreements have consolidated a border of peace; a border that will be defended as it has always been defended by our Armed Forces and Security Forces. This government knows how to defend its territory's integrity, just as it knows how to defend its citizens' political interests, respecting republican and democratic principles. It also knows how to defend its assets and intelligence, just as it knows how to defend its money and resources, its border police and border guards, and its people—especially, the poorest people. Thank you very much.

Interior Minister on Agreement With France

PY0608115891 Buenos Aires Radio Nacional Network in Spanish 1600 GMT 5 Aug 91

[Report by Silvina Martinez Porta from Government House]

[Excerpts] Interior Minister Julio Mera Figueroa returned from France a few hours ago. There, he talked with his French counterpart and with officials of the Sofremi company, seeking to negotiate an extension of the agreement under which our national identity documents will be changed.

Mera Figueroa resumed his activities at Government House today after his visit to Paris, which had begun on 30 July. He went to Paris following a court ruling which suspended the agreement because a bid had not been made on it. The minister explained that it would have been impossible to make a bid because there is no precedent for doing so. He said that Sofremi is an export company subordinated to the French Interior Ministry. He said that the agreement is between two states. [passage omitted]

Mera Figueroa said that the French interior minister clearly told him that if the system is not considered advantageous for Argentina, it will not be implemented. Mera Figueroa made it clear that if the contract is canceled, our country will not be expected to pay any compensation.

The minister pointed out that this system, on which there is an agreement and on which a contract was signed in November 1990, is a closed system that also involves the transfer of technology over the next 15 years. He said that high technology would be transferred in the year 2006.

Mera Figueroa concluded by saying that the new date—to which the French Government agreed—for the implementation of the agreement has been initially set for 15 September 1991.

Menem Announces Transfer of San Justo Land

PY0508204691 Buenos Aires BUENOS AIRES HERALD in English 5 Aug 91 p 7

[Excerpt] (NA-DYN)—President Carlos Menem yesterday said the government would be willing to discuss the possibility of reaching a political pact with the opposition Radical Party to govern the nation.

However, he added that his government was not going through troubled waters.

"If the Radical Party seeks a governability pact, we could talk about it, although there are no major problems with the government," Menem said in San Justo celebrating Children's Day.

During the Children's Day festivities Menem also announced that the federal government would legally transfer state-owned land occupied by San Justo residents to more than 5,000 families who seized the area for shelter.

The transfer will take place under the "land settlement" project launched by the government.

By transferring the ownership of the state-owned land to the families, residents will have a legal address and will be able to legalize their status in the province.

The President made the announcement on land property rights in the presence of his roving ambassador, business tycoon Amalia Lacroze de Fortabat, who decided to donate 300 houses to be constructed in the lots.

Land transfers have faced problems in the past but Menem reassured local residents that the process would be completed within 60 days.

He pledged to exert pressure on local politicians if there were any complications preventing the legalization of the housing situation of the people who pre-empted the government land in question. [passage omitted]

Army Commanders Analyze Budget Effect on Forces

PY0708023291 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2002 GMT 5 Aug 91

[Text] Buenos Aires, 5 Aug (NA)—Top Army commanders today analyzed the budget situation of their force, the possibility of placing two-thirds of the soldiers and officers on leave at the same time, and the repercussions of an alleged anonymous radiogram on the border agreements with Chile.

Regarding this subject, it has been learned through reliable sources that the radiogram was not really anonymous, as reported by a Buenos Aires daily, but was a communique signed by General Anibal Laino, director general of the Army Institutional Affairs Department.

The radiogram, which was sent to several units, is titled Bulletin No. 41/91 and refers to the several border agreements reached with Chile.

From what NOTICIAS ARGENTINAS has learned, the text was two pages long (both sides of each page, including the title), and its appearance did not surprise the government. A top military source told this news agency that "the real intention was to inform military units of the basis for negotiations with Chile."

The top military commanders considered this subject—which came up over the weekend and worried political sectors—over.

The top military command meeting, which took place in the Libertador Building today, was scheduled before the radiogram was released.

The main subject discussed today by military commanders was the difficult budget situation and credit for the second half of the year, which the Economy Ministry has not disbursed because the military budget has yet not been approved.

The lack of resources for "compliance with their mission" was the subject of a briefing after which the commanders reported problems that their units are going through. On this subject, it has been learned that many of the commanders said they lack almost all food supplies as a result of budget shortages.

Army Commander General Martin Bonnet then considered the possibility of granting, on a rotational basis, leave to two-thirds of the soldiers and officers, although it would harm the military mission during the next elections. If the military forces are alternately given leave, the Army—whose mission it is to safeguard the elections—would be damaged during the next national elections for legislators, governors, and mayors.

The commanders also discussed the new regulations of the military retirement laws.

The meeting was attended by the most senior generals in command in Argentina: General Martin Balza, Army deputy commander; General Jose Torres, finance director; General Guillermo Canestro, deputy chief of staff; General Candido Diaz, personnel director; General Jose Fernandez, logistics director; General Gerardo Rivas, education and instruction director; General Diego Soria, commander of the 2d Corps (posted in Rosario); General Jorge Maffey, commander of the 3rd Corps (posted in Cordoba); and General Raul Gomez Sabaini, commander of the 5th Corps (posted in Bahia Blanca).

Consumer Price Index Rises 2.6 Percent in Jul

PY0408204891 Buenos Aires BUENOS AIRES HERALD in English 4 Aug 91 p 1

[Text] The consumer price index rose by 2.6 percent during July, the government said yesterday.

Wholesale prices increased 0.4 percent and building costs 0.1 percent, the INDEC National Statistics Institute reported.

The cost of living increase was the lowest since February 1986, when inflation was 1.7 percent, the INDEC said.

Since the convertibility plan was implemented on April 1, accumulated inflation is 14.8 percent. Wholesale prices rose by 3.9 percent and building costs by 4.8 percent during the period, the INDEC added.

According to INDEC figures, during the last twelve months, inflation was as follows: Retail prices 178.3 percent, wholesale prices 110.1 percent, building costs 148.8 percent.

Bolivia

Further Reports on Visit of Uruguay's Lacalle

'Text' of Joint Declaration

PY0608162491 La Paz Television Boliviana Network in Spanish 2245 GMT 5 Aug 91

["Text" of joint declaration signed by President Jaime Paz Zamora and Uruguayan President Luis Alberto Lacalle Herrera at Government House in La Paz, Bolivia, on 5 August]

[Text] At the invitation of Bolivian President Jaime Paz Zamora, Luis Alberto Lacalle Herrera, the president of the Oriental Republic of Uruguay, paid an official visit to Bolivia on 4-8 August 1991. The Uruguayan president was accompanied by a high-level delegation that included Foreign Minister Hector Gros Espiel and Augusto Montes de Oca, the industry, energy, and mining minister.

This visit is another example of the historic, social, and cultural relations that exist between the two countries. The chiefs of state held fruitful talks on bilateral, subregional, regional, and multilateral topics of interest for both countries while the members of the official delegation and an outstanding group of businessmen who accompanied the Uruguayan president held working meetings with their counterparts.

President Lacalle Herrera was honored with the highest decoration that the Republic of Bolivia can bestow, the Great Collar of the Andean Condor, and was declared Illustrious Guest by the Honorable Municipality of La Paz.

To the great pleasure of the Government of Bolivia, President Luis Alberto Lacalle Herrera accepted the invitation to visit, on 7 August, the Aguirre plant [not further identified] and the Bolivian port on the Paraguay-Parana waterway. A high-ranking Bolivian official delegation was appointed to escort the Uruguayan president on his visit to that region.

As a result of the talks and meetings of the two delegations, and seeking to further fraternal relations between the peoples of Bolivia and Uruguay, the presidents of Bolivia and Uruguay agreed to sign this joint declaration:

First: International Situation

1. Both presidents, with satisfaction, confirm that the regional and world situation is engaged in a series of profound changes that are opening promising prospects for the strengthening of cooperation among states.

2. Within this context, recent agreements were signed in Moscow between the United States of America and the USSR, marking a new milestone in the promotion of peace as a way of coexistence.

3. They make special note of the results of the first Ibero-American Summit recently held in Guadalajara, Mexico, whose final declaration anticipates the development of new forms of cooperation and fruitful understanding among Ibero-American countries.

4. They express their best wishes for the successful completion of multilateral negotiations on the Uruguay Round, conducive to a freer system of trade in which the economies of developing countries can participate under more equitable conditions.

5. Expressing their concern for the increasing deterioration of the environment, on which the development of peoples so closely depends, the presidents support all initiatives to promote the rational utilization of natural resources and to coordinate common actions toward the International Environmental Conference to be held in Rio de Janeiro, Brazil, in 1992.

Second: Hemispheric Cooperation and Regional Integration.

6. The presidents pledge their support for the resolutions adopted at the 21st Ordinary Period of Sessions of the OAS General Assembly, particularly those related to the consolidation of peace in the hemisphere and the strengthening of peace through an effective slowdown of the arms race. To this effect, they noted that economic resources should be channeled to promoting social and economic development of the member states.

7. Aware of the importance that integration has for Latin America, the two presidents agree on the need to intensify efforts toward that goal by promoting greater socioeconomic development of their peoples. To that end, they note that the pragmatic objectives of the process of subregional integration constitute steps toward regional convergence.

8. In this context, having reviewed the progress of regional integration, the two presidents express their satisfaction with the recent advances made in strengthening the Andean Group, advances that are manifested in the decision to form a free trade zone by 1992, and form the Common Market of the South [Mercosur] as a new contribution to the shared objective of establishing a Latin American common market.

9. Within the process taking place in the subregion, the two presidents note the fundamental step that was taken by the four countries of the Mercosur with the signing of the Treaty of Asuncion and express their interest in studying the way in which Bolivia can join this subregional process.

10. Aware of the great economic, political, and social importance of the Paraguay-Parana waterway, and its place in the physical integration of River Plate Basin countries from Puerto Caceres [Bolivia] to Puerto de Nueva Palmira [Uruguay], the Bolivian and Uruguayan presidents evaluated the advances made and pledged their most firm political support for the prompt completion of the works necessary to improve the waterway. They express their satisfaction over the soon-to-be-signed technical cooperation agreement with the IDB [Inter-American Development Bank], which will facilitate defining the works and measures necessary to convert this river transport system into an effective and competitive means of earning foreign trade.

11. The two presidents agree on the need to institutionalize the internationalization of the waterway and to promote urgent negotiation and approval of the waterway transportation agreement and thus fulfill an elemental stage in the institutionalization of the legal statute binding the five countries. The two presidents note the need for the private sector to actively participate in this long-awaited project.

12. The two presidents agree that the inclusion of the region in current international economic trends is a challenge that no country can face alone in view of the large economic blocs in the prevailing international system. They agree on the need to increase the participation of their two countries in those efforts leading to achieve a political consensus as promoted within the Group of Rio.

13. They agree on the importance of promoting the initiative of the Common Market of Knowledge that was issued by President Lacalle, an initiative that supports the actions of the OAS and other international organizations to achieve results in the short-term. They also agree on the proposal by President Jaime Paz Zamora to establish an investment fund for the development of indigenous peoples seeking to overcome their urgent problems, to promote their socioeconomic well-being, and to respect their rights and cultural identity as established at the recent summit in Guadalajara.

Third: Bilateral Ties.

14. The two presidents note the importance of the efforts made by the international community to seek effective solutions to the drug issue at all levels. Within this framework, the two presidents praise the alternative development program implemented by Bolivia as a means to definitely overcome the serious problems caused by drug production, trafficking, and consumption, and the distortions caused to the national economies by the financial influx derived from this illegal trade. They agree to promote the coordination of antidrug legislation in their respective countries and to seek aid and support programs of common interest in this sector.

15. The two presidents term highly positive the signing of the economic complementary agreement by the two countries within the framework of ALADI [Latin American Integration Association]. This agreement promotes the active participation of business sectors which will greatly help to achieve the expansion and diversification of bilateral trade and strengthen reciprocal economic ties. In view of this, and seeking to expand these economic ties even further,

the two presidents have instructed their respective foreign ministers to establish the pertinent measures to extend this agreement even further.

16. The two presidents praise the progress the two countries have achieved regarding the use of tax-free zones and warehouses in the tax-free zones granted by Uruguay to Bolivia. They express their strong support for everything concerning these tax-free zones.

President Lacalle reasserted his government's willingness to grant maximum facilities for the optimum use of these zones. President Paz Zamora thanked him for this attitude, noting that the Bolivian Government will put these facilities to proper use. In so doing, the Uruguayan Government has expressed its willingness to grant Bolivia full access to the Atlantic Ocean.

17. President Paz Zamora informed his Uruguayan colleague of the Bolivian Government's willingness to assume the management of the warehouse located in the free zone in the port of Montevideo, the warehouse and the silo at the port of Nueva Palmira, and to begin trading using the Atlantic Ocean and the Parana-Paraguay waterway.

18. The two presidents note the plans and objectives agreed by the Uruguayan and Bolivian mines ministers to make viable a sponge iron industrial plant that will use iron ore from Mutun, Bolivia, and limestone, sand, and other inputs from Uruguay, in Nueva Palmira or in an adjacent area that has easy access to river transportation and port infrastructure in line with the agreement signed today.

19. Seeking to promote new reciprocal cooperation mechanisms, particularly in the energy sector, the two presidents have instructed their respective energy ministers to meet in the short term to discuss the exploitation and marketing of Bolivian gas in the Uruguayan market.

20. They (?addressed) the start of activities in the last quarter of 1991 of the work groups as established in the notes signed on 21 December 1987 within the framework of the permanent joint coordinating commission. They also instructed the authorities involved in social affairs to meet during this same period to study the signing of an agreement that will encompass the exchange of information and experiences in this field.

21. The two presidents reasserted the willingness of their respective governments to strengthen bilateral cooperation through agreements aimed at developing their two countries. Within this context, the two presidents expressed their pleasure over the signing today of the following agreements:

An agreement on the prevention of the illegal use of drugs and on the repression of the traffic of narcotics and psychotropic substances, drug precursors and specific chemical products;

An agreement through the exchange of notes on horizontal technical cooperation [cooperacion tecnica horizontal] within the framework of the science and technological cooperation agreement;

An agreement through the exchange of notes between the Artigas Institute of the Uruguayan Foreign Ministry service and the Antonio Quijarro Diplomatic Academy of the Bolivian Foreign Ministry;

An agreement through the exchange of notes on the establishment of a bilateral consultation mechanism headed by the Bolivian Foreign Ministry policy under secretary and the Uruguayan Foreign Ministry under secretary;

A complemeatary agreement to the basic agreement on scientific-technical cooperation in the mining and geological fields;

An additional protocol to the complementary economic agreement on cooperation in the mining sector.

22. President Paz Zamora stated that the reconnection of Bolivia with the Pacific Ocean is his country's main and essential objective. President Lacalle Herrera reasserted his government's willingness to cooperate in any way possible with holding an open and unconditional dialogue that will help to achieve a solution for the benefit of all the parties involved.

Uruguayan President Luis Alberto Lacalle Herrera expressed his personal gratitude and that of his entourage for the expressions of kindness and warmth with which they were welcomed by the Bolivian people and their government.

In response to an invitation extended to President Paz Zamora by President Lacalle Herrera, the two presidents have agreed to meet in Montevideo on a date to be established through diplomatic channels.

Joint declaration signed in La Paz on 5 August 1991.

Paz Zamora Evaluates Ties

PY0608225291 La Paz Television Boliviana Network in Spanish 2307 GMT 5 Aug 91

[Speech by President Jaime Paz Zamora after signing a Bolivian-Uruguayan joint declaration at the Central Hall of Government House in La Paz—live]

[Text] Mr Luis Alberto Lacalle, my dear president of the sister Republic of Uruguay; Mr. Hector Gros Espiell, foreign minister of the Republic of Uruguay; members of the distinguished Uruguayan president's entourage; ministers of state; distinguished members of the diplomatic corps accredited to our country; my friends from international organizations that cooperate with Bolivia; distinguished congressmen; members of the high military command and the national police; and distinguished members of Uruguayan and Bolivian business associations, who are playing an active role in this presidential meeting.

President Luis Alberto Lacalle has rightly mentioned the central factors of our talks here in La Paz. I fully agree with his evaluation and with the significance he has attached to every issue; I would say, almost in the same order in which he mentioned them.

I would like to say that we Bolivians are very pleased with President Lacalle's visit. When I had the honor of representing the Bolivian people at President Lacalle's inauguration, we talked about the need to make our bilateral relations more dynamic. With this objective in mind, we acknowledged the need to become acquainted with our respective countries because we know that, in the final analysis, personal, first-hand experience in a specific region of our Latin America is absolutely essential.

That is why we are happy to have here Luis Alberto, who will be able to see at least two of the most important regions of our country, the Andean plateau and the eastern region of Santa Cruz de la Sierra, which he will visit tomorrow or the day after tomorrow. He will thus be able to have as complete an idea of the Bolivia of today as possible.

During the hours that we shared, we could see that we have many points of agreement, which do not just pertain to the matters that are specifically mentioned in the documents that we signed. I would say there is a strong similarity in our ideas.

This may seem like an anecdote or even something improper for a presidential meeting—President Lacalle will not allow me to tell a lie—but, at my office this morning a specific situation made our conversation focus on the Christian faith, which both of us share. We then mentioned other major subjects on which we also agree. We reached very encouraging conclusions. We know that as members of the Latin American community, each of our countries has its own history. After we came to know each other as presidents, however, we found out that there are striking similarities between the paths that Latin Americans are now following.

Reflecting on the changes that both our continent and the rest of the world are undergoing, we fully agreed that we have to govern our countries at a time in which democracy, as a pluralistic system, has spread all over the earth. Democracy is the framework in which we should develop our activities and in which the changes that our countries desire should be introduced.

We agreed that the entire world has become similar—because it is understood that economies should be free market economies—and that our countries' efforts to grow will have to conform to the free market economy.

We also agreed that the world today is fighting for competitiveness in a modern society; consequently, our two countries and Latin America have broad possibilities for cooperation in efforts to achieve democratic and economic development and to build modern society.

This is the framework for the projects that were mentioned by President Lacalle.

I would like to publicly express my gratitude to Uruguay, a country that Bolivians have always regarded as the exact measure of international balance, a country that has always advocated dialogue and peaceful efforts to give Bolivia access to the sea. I would say that this position has already become a doctrine in the international policy of our two countries. The government that is now presided over by President Lacalle has also upheld this position, which Uruguay has adopted with a truly Latin American spirit.

I would also like to express my thanks for the wish that Uruguay has always had: That in addition to our rights over the Pacific Ocean, we could also exercise our natural role as members of the River Plate Basin, thus extending our influence from the Pacific Ocean through the River Plate Basin.

I would like to thank Uruguay for always having expressed great generosity, allowing us to use key areas of its territory to extend Bolivia's influence on the Atlantic Ocean.

I would also like to thank the Uruguayan president, his people, and his assistants for the extraordinary predisposition that I noticed throughout our talks for promoting, in the most generous way, what we call horizontal cooperation between brother countries. Uruguay has many experiences to share with us. Such experiences may not have been mentioned in the documents, but we analyzed them and they are now part of the plans that will be developed.

In this regard, I would like to say in conclusion that during this meeting with President Lacalle we could once again confirm the changes in the role of the modern state, changes that have taken place very quickly, both on the internal and external fronts.

Today, more than ever before, President Lacalle and I realized that what our states do is create, through these agreements and declarations, conditions that are appropriate for our people to turn their initiatives into major undertakings.

This is what we did. I think that there are conditions for the private sector, businessmen, to take advantage of the relations between Bolivia and Uruguay, relations that can become creative and rich for the benefit of both countries.

The waterway is undoubtedly the focus of what we are planning to do. Several other projects—such as the ones dealing with iron and gas that President Lacalle mentioned—are related to the waterway project.

Regarding the waterway, it is interesting to note that the two countries where the waterway begins and ends are meeting. The waterway starts in Bolivia and ends in Uruguay. I believe that this is why our countries are the ones that have shown the greatest interest in making the waterway a reality.

We should recognize that President Lacalle has done a great deal for this project and he should be thanked for it. For example, the Inter-American Development Bank cooperation for implementation of this specific project will be completed this month. Thank you very much, President Lacalle, for being here with us and I hope you will continue to honor us with your presence in the future to enjoy the love of all the Bolivian people. Thank you very much. [applause]

Lacalle Analyzes Declaration

PY0608155091 La Paz Television Boliviana Network in Spanish 2259 GMT 5 Aug 91

[Speech by Uruguayan President Luis Alberto Lacalle at Central Hall of Government House in La Paz, after signing of joint Uruguayan-Bolivian declaration—live]

[Text] Mr. President, Messrs. Ministers, [words indistinct] officials. The declaration that we have just signed includes general concepts that should be emphasized at a meeting between presidents of countries (?that envisage the international community as a unit).

We might be repeating ourselves, but there are values that we share. [passage indistinct] We will continue to (?consider) the objectives of our internal and external policies.

I would like to emphasize that this document, on which the two foreign ministers have intensively worked, has factors that have led to new ties between our two countries.

I am sure that rivers are among the features that unite us, and that the use of rivers for transportation, and the approval of a legal statute for the waterway—which we regard as an essential precondition to be met this year—are central, substantive issues that can be rapidly implemented by our two nations.

Mr. President, I would like to reflect on this issue. While geographic conditions were set by Divine Providence, the technical work and the placing of buoys will be done by us, because technology today has virtually boundless possibilities.

Yet the certainty and security granted by regulations is the factor that will turn these waterways into an upstream and downstream transportation system.

At the next meeting [of the Common Market of the South] to be held in Asuncion, the two governments—and probably all member governments —will insist on the need to establish, as an absolute priority objective, regulations for businesses engaged in transportation, particularly those of Mediterranean countries. This is an essential precondition for the operation of the waterway.

Fulfillment of this condition is more important than the implementation of any technical work. It is even more important than obtaining credits, despite the fact that the Inter-American Development Bank on 14 August will approve the first disbursement for the project.

In connection with the joint declaration, I would like to stress that the very broad duty-free zone regulations, which the Uruguayan Congress improved and expanded during its previous period of work, are not yet being fully implemented. The declaration stressed our will to implement such regulations, so that the ports of Nueva Palmira and Montevideo can become what we have so many times proclaimed: Bolivia's balcony to the Atlantic.

The use of Bolivian gas, necessary for improving the availability of power for Uruguay, is an issue that has been a permanent source of concern for our minister of industry and energy. This use will be implemented through a gas pipeline that we will build with Argentine in the near future. This pipeline will connect us with Bolivia's gas deposits.

The availability of gas will then justify the processing of iron ore. We will thus no longer merely store power and raw materials, we will become an industrial zone where raw materials and technology of the two countries will be coupled in an undertaking whose significance we can hardly imagine yet.

This is what we wanted to highlight in connection with this document, which will have to be repeatedly read.

The next endeavor is the Common Market of Knowledge. Our dear friend President Jaime Paz has enthusiastically supported this idea, which is actually no longer our idea. In fact, the Organization of American States is now sponsoring it as the major frontier to be conquered in the 21st century: the struggle for knowledge developed, applied, and disseminated here, without the need to obtain it abroad.

Here at the heart of mixed-blood America, we fully agree on the need for a policy for indigenous people, so that we can maintain this cultural treasury, this treasury of language, without forcing unwanted integration. This applies especially now that we are about to commemorate the 500th anniversary of the discovery of the Americas, an event that marks a meeting between cultural traditions and an event that should also mark the restoration of mutual respect for cultural traditions in America.

Mr. President, that is what I wanted to stress in connection with the declaration. I would also like to say that the closing statement of the document, in which we give thanks for the warm welcome that we received in this land, is not mere protocol.

We will try to welcome you as warmly when you visit us. [applause]

Paz Zamora on Guadalajara Meeting, Drug Problems

AU0608104391 Hamburg DIE WELT in German 5 Aug 91 p 12

[Interview with President Jaime Paz Zamora by Werner Thomas in La Paz; date not given: "We Will Not Win the Drug War With Hypocrisy"]

[Text] [Thomas] Mr. President, let us start with an event that still dominates discussions in Latin America—the first Latin American summit meeting in Guadalajara. What was the outcome of this conference? In Europe one had the following impression: All loss and no gain.

[Paz Zamora] I am optimistic. In Guadalajara we laid the foundation for an Ibero-American community. This was only possible because we have the same economic, political, and sociopolitical concept. Democratic behavior prevails now. There was a hopeful atmosphere and the readiness to strengthen cooperation. As you know, the next summit will take place in Spain in 1992, and after that in Brazil. Colombia will host the summit in 1994, and Argentina in 1995. You see, we are planning on a long-term basis.

[Thomas] There is a great deal of talk about integration, about the fulfillment of the dream of Simon Bolivar. Are these not merely pretty words? The Europeans know from their own experience how difficult it is to forge a community.

[Paz Zamora] We have realistic goals. Spain and Portugal belong to the EC. The Latin American countries belong either to the Mercosur [Common Market of the South] or the Andes Pact. Various processes are taking place here. We do not want to create a new Ibero-American market, a new Ibero-American free trade zone. For the time being, we only want to be a community whose members coordinate its activities with each other, who develop a feeling of solidarity, and who suggest initiatives to the world, to overcome the north-south conflict, for example.

[Thomas] Latin America used to be known as the continent of the dictators. However, the Guadalajara summit was only attended by one participant who was not elected. How do you see Fidel Castro's future?

[Paz Zamora] We did not discuss the problems of individual countries in Guadalajara. Fidel Castro was in a difficult situation. On the one hand, he felt comfortable because he is a member of the Latin American community. On the other hand, however, he must have felt uncomfortable because all the other presidents came from states where freedom and democracy prevail.

I have the impression that the summit triggered some kind of dynamics concerning Cuba. This may have a positive influence on Cuba.

[Thomas] Did you speak with Fidel in Guadalajara?

[Paz Zamora] Of course, I did. We are friends.

[Thomas] What did you tell him?

[Paz Zamora] I did not tell him what I would like to see in Cuba. He is familiar with my ideas. We had a long talk in Brazil last year. In Guadalajara it was important for me to obtain his support for the Bolivian initiatives, such as on the issue of how the fate of the Indian population can be improved. Some presidents, including Carlos Salinas de Gortari (Mexico) and Carlos Andres Perez (Venezuela), who know Fidel Castro well, believe that it is not very useful to give him lectures. He is tired of people giving him lectures. The best thing may be to integrate Cuba slowly into the community of democratic states in Latin America, and to help the country solve its problems. Mexico and Venezuela might play a key role here. They might guarantee Cuba's energy supply, for example. This appears to be the most sensible way. One reason for Cuba's orientation toward the East in the sixties was that the Soviets supplied oil to the country.

The Guerrillas No Longer Stand a Chance Today

[Thomas] If one thinks of Bolivia, one thinks of Che Guevara. Castro's fellow fighter was killed here. Your brother Nestor used to be a guerrilla fighter. Latin America was known as a guerrilla continent for a long time, which triggered romantic feelings among young Europeans. Does the time of violent changes belong to the past?

[Paz Zamora] Yes, absolutely. By the way, the guerrilla movement never stood a chance in Bolivia. Che Guevara was active only for a few months. Most of the underground groups did not exist longer than six months. We are a peace-loving country. We are trying to solve our problems without violence. The guerrilla movement does not stand a chance in other places either.

Numerous movements of this kind have degenerated into criminal organizations. The original political goals are no longer in the foreground. Some of the groups have formed an alliance with the drug mafia. This brings money. The more sensible representatives of the Latin American guerrilla scene have been integrated into the democratic process. Peru is a special case. It is difficult to analyze the situation in this country.

[Thomas] We want to leave this to your colleague Alberto Fujimori, whom we will see in the near future.

[Paz Zamora] However, it is interesting that we have succeeded in protecting ourselves against the problems of our neighbor Peru, despite the long open border. Neither the guerrilla movement nor cholera have spread to our country.

[Thomas] Let us speak about an internal integration problem. You were the only president who mentioned the sad situation of the Indians at the Guadalajara summit. This issue is particularly topical because in 1992 the 500th anniversary of the discovery of America will be celebrated.

[Paz Zamora] These problems are particularly serious in Mexico, Guatemala, Ecuador, Peru, Bolivia, and Paraguay. In these countries, the entire Indian population is very poor. Thus, the problem of the Indians is a social problem. If we solve the social problems, we will solve the problems of the Indians as well.

I would like to mention the fact that numerous indigenous peoples are threatened with extinction, particularly those living in the tropical areas. This is a new problem for Bolivia. We want to open up these regions and promote the lumber industry and agriculture. However, we were not aware that we were endangering the lives of these people.

[Thomas] Similar things have happened in Brazil.

[Paz Zamora] We submitted laws for the protection of the Indians to the congress. In addition, the establishment of an Ibero-American fund was agreed upon at the Guadalajara summit, which is designed to serve the same purpose. Above all, we want to help those Indians whose lives are in danger.

[Thomas] Let us talk about drugs. Bolivia is the second largest coca producer in the world, after Peru. Narcotraffic is a hot issue in this country. Is there a solution to this problem?

[Paz Zamora] This is a social and economic problem. This mainly concerns the peasants who grow coca plants. Consumption plays no role in Bolivia.

[Thomas] Not the consumption of cocaine, but the consumption of coca. Millions of Bolivians chew coca leaves or drink coca tea.

[Paz Zamora] You are right. I will tell you what we plan to do: We will try to persuade our peasants to grow different agricultural products instead of coca. This cannot be achieved overnight. It takes time. We want to gradually reduce the area where coca is cultivated and make different sources of income available to the peasants. They should not suffer economic losses. They should invest the money that we give them to stop the cultivation of coca in the cultivation of different crops. It is important to incorporate these measures in a comprehensive development plan. Individual initiatives do not yield the desired results. There could be instant chaos.

[Thomas] This involves a lot of money.

[Paz Zamora] We will not be able to resolve this task alone. We need international cooperation. If Bolivia reduces the cultivation of coca plants, its revenues will also decline. Agriculture accounts for 22 percent of Bolivia's gross national product. The portion of coca in agricultural production is 20 percent. If we take radical steps against coca production, our foreign currency reserves will decrease, unemployment will rise, and social peace will be in danger.

[Thomas] Bolivia allegedly earns $600 million in drug trafficking every year. If this is true, it is the biggest source of foreign currency.

[Paz Zamora] Numerous figures are being mentioned. Nobody knows exact figures. However, let me tell you one thing: We are grateful for any kind of help, but we are also seeking cooperation in the private sector. I told President Bush at the drug summit in Cartagena last year: President Bush, we prefer private investments to public aid. The United States could best fight drug trafficking in Bolivia if U.S. companies invest in Bolivia.

[Thomas] Does this also apply to the Europeans?

[Paz Zamora] This is also an appeal to Europe. If we receive capital from Europe, the United States, or Japan for the Chapare or Yungas regions, the two most important coca areas, we can promote other sectors of agriculture. We can grow tropical and subtropical fruits and produce fruit juices. The climate is optimal for that. The opportunities are unlimited. In this way, the war against drugs can be won on the Bolivian front.

Of course, we must also persecute the drug dealers, a mafia that earns millions of dollars. We must prevent them from finding a refuge where they can feel secure. I believe that progress is discernible here. Drug barons are giving themselves up. This happened in Colombia, but also in Bolivia.

We Are Freeing Ourselves From the Chains of Backwardness

[Thomas] Your government has submitted an offer to the drug dealers: If you surrender within 120 days, you will not be handed over to U.S. judicial organs. Your Colombian colleague Cesar Gaviria is pursuing a similar strategy.

[Paz Zamora] Our goals are different. In Colombia, politicians are trying to stop a wave of violence. In Bolivia we are trying to prevent a wave of violence.

[Thomas] Can Bolivia survive without the coca production?

[Paz Zamora] Of course. We will prove that. By the end of the century, Bolivia will no longer depend on agricultural production. We have a precise plan. We hope that we will receive the required support from abroad.

[Thomas] Since the struggle against the drugs is so difficult, unusual methods have often been devised. Why does the Bolivian Government not simply buy the whole coca crop? This would certainly be cheaper.

[Paz Zamora] I do not believe that. Our government does not have the money. In addition, such steps would be in contradiction with our economic principles, which are aimed at the reduction of subsidies. This would be a form of subsidy. As a matter of fact, the United States and Europe subsidize their agriculture as well. However, subsidies for coca production would be somewhat unusual.

[Thomas] Many Europeans do not know that the drug industry destroys the environment. The coca plants damage the soil, as the barren regions of Chapare and Yungas show. Chemicals that are necessary for the production of coca paste and cocaine contaminate the rivers and the ground water.

[Paz Zamora] This is big problem that we must solve. We are aware of our responsibility. Not only drug trafficking but also the pollution of the environment is a crime

against humanity. International cooperation is also required here. It does not exist at this point.

Let me give you an example: I signed a law last year that protects our forests. In the next five years the felling of trees without official permission will be banned. This costs us a great deal of money. Our lumber industry suffers under this step. We cannot bear the burden alone. However, no foreign country has offered to help so far. I believe that one can occasionally speak of ecological hypocrisy. Many people speak about environmental protection but very few actually do something. This also applies to the fight against drugs.

[Thomas] There has been talk about "militarization" of the fight against drug trafficking. U.S. military officials are training Bolivian soldiers. Washington is allegedly exerting pressure on your government.

[Paz Zamora] The term "militarization" was invented by the press. The Americans are training a battalion of 300 men. That is all. The soldiers will not interfere in the drug war but will only help out if the police organs cannot cope. Military forces also provide services in the health and education sector. However, nobody would think of speaking of a militarization of the health and education sector.

[Thomas] Mr. President, Bolivia has undergone enormous changes in the past few years. The country is no longer the poorhouse of Latin America. It seems to be quite dynamic today. The capital La Paz is thriving. One can see construction work and computers everywhere. No other state in Latin America has such a low inflation rate—15 percent. What is the reason for this change?

[Paz Zamora] Bolivia carried out economic reforms that were supported by large sections of the population. People pressed for changes. They were ready to make sacrifices. They saw that the policy of the past had led to the country's ruin.

[Thomas] At the beginning of the eighties, Bolivia's inflation hit a world record—24,000 percent.

[Paz Zamora] It was 24,000 percent, with an upward tendency.

Another aspect is that the course upon which Bolivia had embarked was persistently continued after the most recent change of government. My government was able to reap the first fruits and to achieve economic growth. Bolivia is no longer isolated. We have opened up our country and launched trade initiatives. We have strengthened our relations with the United States and Europe. The most backward and unstable nation has probably developed into the most stable nation in Latin America. If we continue our policy in the next 20 years we will be able to free ourselves from the chains of backwardness.

[Thomas] Really? Will that be the case?

[Paz Zamora] Yes, I think so. All major parties support this course, including the opposition. All major parties share the view that there is no alternative to this policy.

[Thomas] What can a country like Germany do for Bolivia?

[Paz Zamora] Germany should continue to help us the way it has done so far. Our relationship is excellent. However, we wish that private investments would increase. There are many opportunities to invest in this country.

[Thomas] Can you give us a few examples?

[Paz Zamora] In mining, for example, the new type of mining. In the traditional mining industry—the mining of tin, zinc, and tungsten—prices are not good. The new mining industry, involving gold, silver, precious stones, lead, and lithium, offers much better prospects. The Bolivar mine, one of the largest silver and lead mines in the world, will be privatized. Some U.S. and Canadian enterprises have realized the opportunities. Foreign capital is also needed in the oil industry. Oil is something new for us. We still have many unexplored regions. The big foreign oil concerns show great interest.

I have already mentioned agriculture. We have all kinds of climatic zones in the country that offer numerous opportunities. The significance of the consumer goods industry is increasing. We are planning free trade zones. The member states of the Andes Pact are strengthening their ties, and soon all customs barriers will be removed. This will lead to the creation of a market of 100 million people.

Fortunately, the United States Has Also Adapted to the Requirements of the Times

[Thomas] You are a Social Democrat. However, you advocate the market economy, and you have formed an alliance with the former dictator Hugo Banzer, who had you arrested in the past. Have you changed your position?

[Paz Zamora] One must adapt to the requirements of the time. The United States did that as well. In the past, they used to support the dictatorships, and, therefore, we had differences of opinion with the United States. However, in the past few years the United States has been a pioneer of democracy in Latin America. Thus, we share common interests. For this reason, we cultivate our relationship with the United States—and Europe—in a special way. However, I still advocate the positions of leftist nationalism and social democracy. My party belongs to the victorious left.

There is a leftist movement that probably has no future—orthodox Marxism, for example. However, the democratic left has not been defeated. Social democratic parties are at the helm in Sweden, France, and Spain, for example.

[Thomas] There are several Social Democratic presidents on the American Continent, not only in Bolivia, Venezuela, Ecuador, and Jamaica. Even Brazil's Fernando Collor de Mello considers himself a Social Democrat.

[Paz Zamora] Social democratic ideas may offer the best solutions to the problems of this world. On the one hand, modern Social Democrats support the free market economy and private initiatives and stress efficiency and productivity, but on the other they show a social consciousness.

[Thomas] The Third World is still seeking an adequate development model. Progress has neither been achieved with Marxism nor with radical capitalist experiments. Do you believe that social democratic politicians are in a position to bridge the gap between the North and South?

[Paz Zamora] Yes, I think so.

[Thomas] Do you also believe that the whole of Latin America will one day embark upon the social democratic path?

[Paz Zamora] I hope so.

Police Commander Announces Anticorruption Fight

PY0408010291 La Paz Television Boliviana Network in Spanish 0200 GMT 1 Aug 91

[Text] According to statements made by the head of the Bolivian Police, several measures are being adopted within his institution to stop corruption. These are his statements:

In light of several reports of police corruption, it has been decided that the discharge or retirement of members who are guilty of the charges is not a solution to the problem. Therefore, more measures should be adopted to prevent this problem. General Jaime Cespedes, Bolivian Police commander, described the primary causes of corruption, which must be eliminated.

[Begin recording] We decided that we must eliminate bureaucracy; that is, excessively heavy bureaucratic systems that exist in police administration in order to make it more efficient and active. All police procedures should be executed more quickly and efficiently since some people may take advantage of them and use them to their own benefit if they take too much time.

We have also decided that there should be a mechanism to eliminate direct contact between the public and the police in order to avoid bribes; such as, for example, when fines must be paid. There should be an intermediary. We have thought of using the banking system. The state bank is planning this so we can eliminate direct contact.

Although this is not the basic cause of corruption, we must also seek to improve policemen's salaries because they are much too low. Once these problems are solved we think we will be able to better solve the corruption problem.

Finally, speaking of police structure, we are stressing specialization to make each organization responsible for its actions as it fulfills its mission. [end recording]

Brazil

Rezek To Study Satellite Project in PRC

PY0308204291 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 1 Aug 91

[Text] Foreign Minister Francisco Rezek will travel to Asia this weekend. In the PRC, the foreign minister will discuss a joint project for the construction of two remote-sensing satellites by the National Space Research Institute and the Chinese Science and Technology Academy. In the ROK, Minister Rezek will sign a science and technology agreement.

Minister Rezek will be in the PRC until 7 August to hold talks with government authorities in Beijing and PRC Foreign Minister Qian Qichen. Itamaraty spokesman Luiz Fernando Benedine explained what the minister will do in the PRC:

[Begin recording] He will review matters related to the joint project to build two remote-sensing satellites. The partners in this joint venture are the National Space Research Institute and the Chinese Science and Technology Academy. It is worth mentioning that in his talks with Minister Qian Qichen in the PRC, Minister Rezek will discuss the possibility of expanding the UN Security Council and the succession for the UN secretary general, whose term of office will expire in 1992. [end recording]

From 7 to 10 August, Minister Rezek will make the first visit by a Brazilian foreign minister to the ROK. He will be received by President No Tae-U and National Assembly President Pak Chong-kyu.

Itamaraty spokesman Luiz Fernando Benedine also explained the objectives of Minister Rezek's visit to Seoul:

[Begin recording] He will sign a science and technology agreement in the areas of electronics, computer science, biotechnology, and pharmaceuticals. There is also a possibility of concluding or initiating negotiations for an agreement between VASP [Sao Paulo Airlines] and Korean Airlines for future flights between the two countries. [end recording]

Before leaving on 7 August [as heard], Minister Rezek will meet with U.S. Vice President Dan Quayle in Brasilia.

Economy Minister Urges Calm Amid Inflation

PY0608132491 Madrid EFE in English 2007 GMT 5 Aug 91

[Text] Rio de Janeiro, Aug 5 (EFE)—Economy Minister Marcilio Marques Moreira set out Monday [5 August] to calm fears that Brazil's inflation was once more spiralling out of control.

"There's no need to panic," the minister said after admitting to journalists that prices had risen 121.33 per cent since January. Marques Moreira said the government had no plans to introduce another set of drastic anti-inflationary tactics to match the two economic adjustment programs

already unleashed since President Fernando Collor de Mello took office in March 1990. The first came one day after Collor's inauguration, while at the end of January, Marques Moreira's predecessor Zeila Cardoso de Mello imposed a harsh across-the-board price freeze in efforts to reign in the hyperinflation that stood at 2,750 per cent when Collor came to power.

Marques Moreira's decision to relax Cardoso's price freeze has sent prices soaring in recent months. Monthly inflation climbed to 8.48 per cent in June and hit 13.22 per cent in July following the freeing of many price constraints three months ago.

Analysts fear that inflation could receive another critical boost on August 15 when the government is due to release the savings of thousands of depositers, whose bank accounts were frozen in the first of Collor's economic programs. By the end of September, the first installments of an estimated dlrs 25 billion in formerly frozen savings will start to circulate.

Central Bank President Francisco Gros also attempted to calm apprehension about the move by declaring "No unexpected measures will be taken." But he added, "Brazilians have to learn to say no to inflation."

Agriculture Minister Vows To Fight Squatters

PY0308185491 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 2 Aug 91

[Excerpts] Agriculture Minister Antonio Cabrera has prohibited INCRA [National Institute of Land Reform and Settlement] superintendents from approving new settlements of squatters in the country. He also vowed from now on to exclude any land taken by squatters from agrarian reform projects.

Cabrera was irritated by the invasion of the Boa Vista farm in Palmeira das Missoes, Rio Grande do Sul State. He noted that this farm is productive and cannot be made part of the agrarian reform program. He added that the government will not hold talks with squatters and ruled out the possibility of approving the squatter settlement of Palmeira das Missoes. [passage omitted]

Speaking for the agriculture minister, Cleber Canavarro, head of the Agriculture Ministry office in Rio Grande do Sul, said that Rio Grande do Sul has received major benefits through agrarian reform projects. He said 807 million cruzeiros were spent in one year in the state for the purchase of 2,100 hectares of land and for the temporary settlement of farmers with medical support and food supplies.

Canavarro said the Brazilian Government has been surprised by the remarkable increase in the number of landless farmers, who in July 1990 totaled 470 and today total more than 3,000 in recently invaded areas alone. He reaffirmed that the government will not yield to pressure in implementing its agrarian reform program.

Free Trade of Agricultural Products Demanded

PY0508153491 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 5 Aug 91

[By Cleide Lopes from Brasilia]

[Text] Brazil is demanding the free trade of agricultural products in order to close an agreement with the GATT.

Agriculture Minister Antonio Cabrera has said that negotiations with the GATT are not at all encouraging.

The agriculture minister said that the Brazilian Government hoped that during the Group of Seven meeting, recently held in London, an agreement could have been reached on the removal of agricultural subsidies, especially on orange juice exports. This did not happen and negotiations with the GATT are becoming increasingly difficult.

The minister said that Brazil does not intend to yield in any way in the agricultural sector to reach an agreement with the GATT.

[Begin Cabrera recording] It is important to note that Brazil will yield a bit in all other areas. We will yield in the services, patents, and foreign debt areas. The area of agricultural products is the only one in which Brazil can win. Therefore, we will not yield. We cannot open up our economy, as we are doing in the informatics protection area and so forth, unless we are compensated by the rich countries, namely through the free trade of agricultural products. [end recording]

Central Bank To Hold Auctions of U.S. Dollars

PY0208201591 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 2 Aug 91

[By Beto Almeida]

[Text] Beginning this month, the Central Bank of Brazil [BCB] will hold informal auctions at which U.S. dollars will be purchased and sold. Only the financial institutions selected by the BCB will participate in these auctions.

These auctions are designed to promote liquidity--that is, the amount of money in circulation on the interbanking market and among the final users on the money exchange market. The minimum quantity to be auctioned will be $500,000.

Through these auctions, the BCB seeks to monitor the dollar exchange rate on three fronts—the free, commercial, and parallel markets. The BCB also seeks to obtain more information on how operations in dollars are conducted in Brazil.

The U.S. dollar exchange rate yesterday closed at 389.50 cruzeiros for buyers. The current official dollar exchange rate is 349.45 cruzeiros. The difference between the official and parallel exchange rates currently stands at 11.5 percent in favor of the parallel market.

Petrobras Sells Bonds on Foreign Stock Exchange

PY0308184691 Sao Paulo FOLHA DE SAO PAULO in Portuguese 30 Jul 91 Third Section p 12

[From FOLHA DE SAO PAULO's Rio de Janeiro bureau]

[Text] Petrobras [Brazilian Petroleum Corporation] has obtained $250 million by offering bonds, redeemable in two years, on the Luxembourg stock exchange. This information was supplied by Petrobras Financial Director Carlos Tadeu de Freitas Gomes. He said he is pleased with the investors' receptivity and that he intends to seek fresh funds on the foreign market in light of the successful experience.

In the face of the bonds' success in Europe, Freitas Gomes said Petrobras has decided to suspend the launching of $200 million in debentures. "To place the bonds abroad is cheaper for the company," he said.

On 2 August, Freitas Gomes, along with Petrobras President Alfeu Valenca, will depart for London to get the money and seek other sources of funds. "Within one week, all the bonds were already in the hands of investors," he said. Valenca said that all the investors will earn 13.5 percent in interest after two years when the bonds are redeemed.

Also concerning foreign investments, Valenca yesterday signed a $272 million contract with the Japanese company Nissho Iwai for the construction of Petrobras [offshore drilling] platform No. 18 in the Marlim oil field in the Campos Basin (279 km from Rio de Janeiro).

Valenca said that Petrobras will start paying for the construction of the platform within three years when the platform will already be operating. The financing period is 36 months. Nissho will operate the platform for 10 years and afterward the equipment will become Petrobras property.

The equipment will be able to produce 100,000 barrels of oil and 4.2 million cubic meters of natural gas per day. Petrobras platform No. 18 is now under construction in Singapore. The platform will operate at a depth of 1,000 meters.

Freitas Gomes said that during his trip to London in August Petrobras will also try to secure foreign funds by guaranteeing the debt. He said there is a chance to raise about $150 million in debt guarantees. The first contract will be signed with British Petroleum Company, which could finance part of the $150 million.

Chile

U.S. Trade Representative Carla Hills Arrives

PY0608132091 Santiago Radio Nacional de Chile Network in Spanish 1100 GMT 6 Aug 91

[Excerpt] U.S. Trade Representative Carla Hills has arrived in Chile one day ahead of schedule. During her two-day stay in our country, she will meet with top government officials to analyze the possibility of reaching a free-trade agreement with the United States within the Americas Initiative of George Bush. Chile is expected to be one the first countries to sign such an agreement, after Mexico. [passage omitted]

President Aylwin Assesses Border Agreements

PY0708033691 Santiago Radio Chilena Network in Spanish 1700 GMT 6 Aug 91

[Excerpt] President Patricio Aylwin has asserted that the growing confidence between Chile and Argentina following the signing of a border agreement on 2 August should result in a reduction in the two countries' military expenditures. President Aylwin made this statement during a news conference given along with Economy Minister Carlos Ominami and Foreign Minister Enrique Silva Cimma on details of their recent visit to Buenos Aires.

During the news conference, the chief of state said that the Chilean Armed Forces have not questioned the agreements signed with the Argentine Government. The first question he was asked referred to the reaction of the Chilean Armed Forces to the agreement.

[Begin Aylwin recording] Look, I have not prepared any report, but during the meetings I and the foreign minister had with the respective authorities, we informed them of the terms of the agreement we were going to sign and none of the institutions objected. [end recording]

The chief of state recalled that Chile's military expenditures remain frozen and it only maintains a dissuasive-deterrent capacity in that area. Aylwin added that, undoubtedly, the increasing reciprocal confidence and the elimination of matters of discord between our two nations should gradually favor a reduction in military expenditures. [passage omitted]

Aylwin Apologizes to Menem for Newspaper Article

PY0708020291 Madrid EFE in English 2218 GMT 6 Aug 91

[Text] Santiago, Aug 6 (EFE)—Chilean President Patricio Aylwin apologized publicly Tuesday for a newspaper article which described Argentine President Carlos Menem as a flashy clothes horse with a private team of beauty therapists.

"We live in a democracy which supports freedom of the press but this liberty has been abused," Aylwin told journalists after being asked about an article about his counterpart, entitled "Menem and the Argentine Brothel", published Sunday in the Santiago daily EL MERCURIO.

Menem represents everything flashy. It's what he always dreamed of: lots of dough, loads of girls, all the gravy of life," the article said. Chilean columnist Enrique Lafourcade described Menem as "a fashion plate in designer clothes who maintains a team of manicurists, pedicurists, masseurs and relaxation therapists, who

plays tennis and football and rides on his bike, dances tango.. and sings...without mentioning the private parties where he makes love without hiding it."

"I regret the publication and the wording of the article," the Chilean president said.

"I ask the forgiveness of the president of Argentina and the Argentine people for this expression of bad taste," Aylwin added.

Lafourcade, a well-known journalist in Chile, said Tuesday he had not intended to harm Menem with his remarks and said Aylwin's response had harmed press freedom.

Aylwin and Menem met last week to resolve a series of long-standing border disputes between Argentina and Chile.

Poll Shows Aylwin's Popularity Still High

PY0408205891 Santiago Radio Cooperativa Network in Spanish 2300 GMT 2 Jul 91

[Summary] According to a poll carried out by the CEP [Center for Political Studies] and Adimark Company last July, 50 percent of the polled people said the country is making economic progress, while 43 percent said it is at a standstill. As for politicians, the popularity of all of them dropped in comparison with last March. However, President Patricio Aylwin is the first on the list of preferences with 71 percent approval. Then comes Education Minister Ricardo Lagos with 59.5 percent approval, and Finance Minister Alejandro Foxley with 53 percent.

Government Not Implementing 'Real Transition'

PY0308183291 Santiago LA TERCERA DE LA HORA in Spanish 26 Jul 91 p 10

[Text] The Manuel Rodriguez Patriotic Movement [MPMR] has charged the government with not implementing a real transition to democracy. The MPMR pointed out that, so far, the country has experienced no joy, truth, or justice [a slogan used in the electoral campaign] and also demanded a solution to the political prisoners problem.

MPMR leaders Cesar Quiroz and Leandro Tarchio went to La Moneda Palace to deliver a letter addressed to the president of the Republic. The letter states: "The truth is that in view of our situation and of your high position it may seem strange that we write you a letter."

"It is truly strange that people who until very recently fought against the government, often with weapons in their hands—and we must add that we are not ashamed of having done so nor regret it—must now stealthily address you through a letter while those who deny and hide their crimes are allowed to come to this palace preceded by an escort and under the protection of the laws and a sacrosanct Constitution drafted by them."

When journalists stationed at La Moneda asked them about the "useful repentance [arrependimiento eficaz]" project, the MPMR leaders answered: "We think this is a shame for the country. We believe that what we need in Chile is truth and justice. Those responsible for human rights violations—i.e. Pinochet, Alvaro Corbalan, Fernandez Dittus, Pedro Espinoza, and Letelier's murderers—must be punished in accordance with the law. Only then will there be peace and truth in Chile. It is a shame to see these mechanisms used to solve problems that can only be solved through truth and justice. We believe that it is morally indispensable that all democratic forces fight for truth and justice because, otherwise, the problems Chile currently has will never be solved."

Decree Issued on Sale of Psychotropic Substances

PY0708031091 Santiago Radio Cooperativa Network in Spanish 2300 GMT 6 Aug 91

[Text] The Health Ministry has reported that Supreme Decree No. 308 regulating the sale of so-called psychotropic substances went into effect on 1 August. Consumption of these substances can cause physical addiction.

According to the decree, these drugs will be supplied only in cases of medical prescription through delivery of a controlled prescription [receta cheque]. The sale of these substances had been controlled through the retention of medical prescriptions. This mechanism, however, was insufficient to prevent fraudulent sales, which caused problems for public health in view of an increase in the consumption of psychotropic substances.

The medical prescription, which can be easily forged, also paved the way for illegal use of these drugs. The use of a controlled prescription represents a rigorous legal control on the sale of these products because the prescription is printed at the money printing house and can be purchased at health posts only by doctors.

The decree modifies the classification of these types of psychotropic substances into four lists. According to the new classifications, products such as anorectics or appetite suppressants, which were included in list No. 2, will now be transferred to list No. 4 along with amphetamines.

Colombia

National Popularity Poll of Leftist Leaders

PA0208232591 Bogota Radio Cadena Nacional in Spanish 1200 GMT 2 Aug 91

[Text] The National Consulting Center conducted a survey between 13-14 July in Bogota, Medellin, Cali, and Barranquilla—the four largest cities in the country—to examine the popularity of the leftist forces and their leaders. There were many surprises. For example, Antonio Navarro Wolff ranked first in popularity in all cities, while Alfonso Cano, member of the FARC [Revolutionary Armed Forces of Colombia], who is currently representing the Simon Bolivar National Guerrilla Coordinating Board at the Caracas peace talks, came in second. According to the survey, Cano would be better off in politics than as a guerrilla leader.

The Liberal Party—the popularity of all parties was tested—has a better image than all other parties nationwide. For instance, in Bogota, the Liberal Party is viewed favorably by 62 percent of the population, while 23 percent view it unfavorably.

Among the leftist parties or movements, the M-19 [19 April Movement] received the largest support of the population. In Medellin, the M-19 is viewed favorably by 62 percent of the population, while 34 percent view the M-19 unfavorably.

The Communist Party of Colombia [PCC] is at the bottom of the list. In Bogota, it is viewed positively by only 11 percent of the population, while 46 percent view it negatively. This probably prompted the resignation of Dr. Gilberto Vieira from the post of PCC secretary general.

EPL Members Said To Oppose Joining AD M-19

PA0308155591 Bogota EL TIEMPO in Spanish 29 Jul 91 pp 1, 6-A

[Text] In the middle of a meeting to define the electoral strategy of the 19 April Movement Democratic Alliance (AD M-19), most members of the Hope, Peace, and Freedom movement (EPL) [formerly the Popular Liberation Army], headed by Dario Mejia and Anibal Palacios, objected to the former guerrilla group's dissolution and annexation into the AD.

This proposal had been put forth by Antonio Navarro and [former EPL commander] Bernardo Gutierrez, who have been criticized for espousing the AD M-19 thesis. Consequently, Navarro left the meeting to allow the EPL to establish its situation, and Gutierrez may end up without his own organization's support.

What seemed to be another campaign strategy meeting wound up revealing a deep crisis between the EPL and the AD M-19. At 1700 on 22 July in Santa Fe de Bogota, national and regional AD M-19 leaders and the organization's chief, Antonio Navarro Wolff, initiated a meeting that ended 48 hours later on the afternoon of 24 July.

A variety of subjects, such as governorships, the slates for the chamber of representatives, and the slates for the national senate were on the meeting's agenda. Also discussed was the profound division that exists within the demobilized EPL. With regard to the governorships, the participants confirmed that they will remain in contact with the traditional parties, as well as with labor and social organizations, for the purpose of finding a singular candidate.

The Atlantico Department case claimed a lot of attention. After it became known that Fuad Char [not further identified] and [Atlantico Governor] Arturo Saravia Better would not support Pedro Martin Leyes for the governorship, tensions rose during the final hours of the meeting.

With regard to the regional slates, although the departments were completely free to "shape" their alliances, it was established that every agreement must first have the approval of Navarro Wolff, the alliance's top chief, before being made official. The top position on the national senate slate has Vera Grave, followed by Samuel Moreno Rojas, with the third position a toss-up between Everth Bustamante and Bernardo Gutierrez. A deadline of one week was also established for talks with representative departmental figures, which means that the regions would be well placed on the slate, which was among the requests made by the sectional leaders who were present.

Up to this point everything went well. Of course, there were endless discussions about the candidates, but everything remained within the limits of normalcy. The "uproar" began when, according to the order of the day, the acute division within the EPL, which is part of the AD M-19, was discussed.

Present at the meeting were Bernardo Gutierrez, Anibal Palacio, Dario Mejia, and other national and departmental EPL leaders.

Navarro, who has Gutierrez' unconditional support, insisted that the EPL must be dissolved if it wants a position on the slate.

Immediately, as usually happens when this subject is broached, Palacio and Mejia strongly countered that the recently demobilized group will not be dissolved by any means, let alone accept Navarro Wolff's guidance as its top leader.

Palacio and Mejia, making a show of the orthodox ideology that has always characterized the former guerrilla organization, said that their views have always differed, even when they were in the jungle, although they carried out several joint operations. They argued that concepts such as democracy, participation, and new country are completely different. This faction of the EPL, which has the support of almost all of the former commanders and the rank and file, is opposed to the policy of alliance promoted by Navarro and Gutierez.

For Palacio, Mejia, and Rafael Kerguelen (former Commander Marcos Jara), it would be a mistake to meet with labor and political leaders who were opposed to the peace process.

On 24 July, when the discussion became very intense, Navarro and the "combo" from the "eme" [AD M-19] decided to withdraw, leaving the "epelos" [EPL members] alone to resolve their contradictions. It has also been reported that an EPL faction in Norte de Santander has continued to practice intimidation and extortion. This was confirmed to EL TIEMPO by a top Democratic Alliance leader who has close ties with the EPL.

At 1700 on 28 July, the AD M-19 and EPL meeting continued at an undisclosed site.

The fact is that Gutierrez is becoming increasingly isolated after being the commander of the group and the leading promoter of the peace process. If things do not

come to a satisfactory conclusion, he may find himself on the verge of suffering a "coup d'etat" at the hands of his comrades-in-arms.

Additionally, the EPL will find electoral strength only in Cordoba and in Uraba, Antioquia, and Gutierrez is seeking nationwide distinction, which he will achieve only if he hangs onto the "eme."

CNGSB Sends Message During PCC Congress

PA0608004991 Bogota Inravision Television Cadena 2 in Spanish 1730 GMT 5 Aug 91

[Report by Ricardo Canon]

[Text] Delegates from all over the country attend the Colombian Communist Party [PCC] congress with a clear tendency to make ideological changes. The PCC delegates evaluate the ideological principles and their political structures in accordance with domestic and international needs. Former PCC Secretary General Gilberto Vieira requested that channels of political participation be opened further as a mechanism of internal democracy.

[Begin recording] [Vieira] The main topic is the need for the PCC to renew its organization and its work methods to bring it in line with the great changes of the time.

[Canon] To your way of thinking, which of the two directions prevail: the tough, radical line or the moderate one?

[Vieira] Opinions vary, but in general terms, I believe an objective and realistic policy prevails. This guideline analysis very carefully changes in the domestic and international economy and also changes in our country's political situation. [end recording]

The Simon Bolivar National Guerrilla Coordinating Board [CNGSB] sent a message during the PCC's inaugural session, which, in addition to expressing its solidarity with the congress, calls for a great national crusade to support the dialogue with the government.

[Begin CNGSB's Ivan Marquez recording] We have agreed with the Colombian Government on a work agenda that we are now developing. The first point of this agenda is a cease-fire and an end to hostilities. The possibility has emerged from the Caracas talks to start a great national movement to support this peace process. We are aware that the Caracas talks can awaken the masses in Colombia. We invite the communists to take advantage of this opportunity and bolster the tasks for a new and different fatherland with peace and social justice. [end recording]

ELN Leader Responds to Priest's Criticism

PA0208184191 Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 2 Aug 91

[Text] The guerrillas have announced the suspension of attacks against the country's electrical infrastructure. According to Manuel Marulanda Velez, supreme chief of the Revolutionary Armed Forces of Colombia (FARC), this decision was made on the initiative of the guerrillas, not in response to government demands. He also expressed his interest in continuing the peace talks with the government in Caracas.

Meanwhile, ELN [National Liberation Army] leader Father Manuel Perez today sent a letter to Father Rafael Garcia Herreros criticizing his change of attitude toward the guerrillas, after his return from the United States. Father Garcia Herreros did indeed change after his return from the United States.

[Begin Garcia Herreros recording] I want to congratulate the coastal area residents because they are setting a much-needed good example for the country. No more cowardly destruction of utility towers; no more towns in darkness being illuminated only by candles, like 100 years ago. The guerrillas—hooded individuals wearing smelly clothes—must be convinced that this is absurd, stupid, and senseless, and that such actions take them nowhere.

Do not abandon me now. Send me thousands of telegrams, which I will show on television, to absolutely wipe out the guerrillas.... [end recording]

Several people were terrified after listening to Father Rafael Garcia Herreros on 29 July during the Minute of God segment. In five minutes and in good spirits, he told three truths to former priest Manuel Perez, leader of the ELN. Perez obviously did not like it and he sent this letter to Father Garcia Herreros in brotherly manner: I am surprised at the language you used after your arrival from the United States. Is it that the empire of the Americans and the military gave you their hatred?

In addition, former priest Manuel Perez suggests that Garcia Herreros hear the confession of rulers and military officers who, according to him, have committed grave sins against God and humanity. Later, he goes on to say: Father, do not use the time of the Minute of God segment to curse the rebels, but bless all those who are struggling for justice, because the Kingdom of God belongs to them.

[Begin Garcia Herreros recording] I am trying to contact Father Manuel. I very much want to find him. I have been outside the country in recent days, but I believe that Father Manuel Perez will very soon meet with me somewhere in Colombia, be it the Catatumbo or Middle Magdalena Region. [end recording]

Despite the fact that Father Rafael Garcia Herreros thinks that he is going to meet with former priest Manuel Perez, today he refrained from commenting on the harsh statements made by the ELN leader in response to the Minute of God segment aired on 29 July.

Columnist Questions 'Ambiguity' of M-19

PA0508142791 Bogota EL TIEMPO in Spanish
31 Jul 91 p 5a

["Conjectures" column by Carlos Lemos Simmonds: "And Where Are the Proposals?"]

[Text] For the upcoming elections there is a glut of candidates and a dearth of proposals. The press, radio, and television report every day on proclamations, coalitions, candidacies, and ruptures. We hardly ever see anything specific on what the candidates for public institutions and, of course, the governorships propose to do if they win the elections. As far as candidates are concerned, the campaign is stirring, alive, and all-encompassing. As far as programs are concerned, it is a wasteland. To be sure, the lack of views does not affect the different parties and movements in a similar manner. All the candidates would be wise to unveil their political, social, and economic views so that the campaign does not become a vain competition of personalities devoid of content and depth. There are some for whom this matter is not a mere formality but an obligation.

The M-19 [19 April Movement] for instance, must define how it differs from the traditional parties and the National Salvation Movement so the people can determine if it espouses major change or, as happened in the National Constituent Assembly, if it has nothing new to propose. It has been said and written over and over again that Antonio Navarro Wolff is a skillful politician but a lackluster deputy in the National Constitutent Assembly. Neither he nor his group brought before the assembly anything that would entail a major institutional transformation. We did not see a "shake up" in the M-19. The bills submitted by its members were quintessentially routine and became known for their extreme conformity. That is why they did not clash with the "establishment," which gladly welcomed them without any discussion. That makes sense, since the bills seemed to be the work of a Liberal or Conservative. As a matter of fact, the M-19's behavior at the assembly received only the rejection of the revolutionary left that harshly criticized Navarro Wolff.

To be sure, the M-19, in a visible alliance with [National Salvation Movement President] Alvaro Gomez Hurtado, did score a major electoral victory. The recall of the Congress' mandate is their doing. Now that this goal has been met, the country is starting to wonder about the zeal to elect a new congress if, as it seeems, there are no proposals to distinguish it from the previous one, or if, as is also apparent, the M-19 and the National Salvation Movement will include on their lists figures from the old political parties that have already served in it. One supposes that if Navarro Wolff and Gomez are successful in dismissing the current congressmen, the purpose is to bring into politics new people with new ideas, not really to reelect the same old people. This is what all the signs indicate. On the matter of ideas, the M-19 and the National Salvation Movement are not offering the people anything original or tempting. Names and old names are being reshuffled, but that is it.

In the ruling party, the absence of new proposals is not as serious. In the May and March elections last year, the Liberal Party unveiled its platform for the government and legislature and won the peoples' support. Thus, it is not obligated to introduce different proposals, because there is no reason it should become an alternative to itself or its administration. Its duty toward those who voted for it is to maintain continuity. It must develop its government project, of which the constitutional amendments represent a substantial part, and not offer the people a different one. It has not been defeated and has no reason to change.

The situation is different for its adversaries, especially the M-19, which must show the country whether it in fact has its own criteria or is content to deflate the Liberal Party. For instance, how do the M-19 and former Health Minister Navarro Wolff feel about labor reforms? Should the labor code be maintained or amended? Does the M-19 support the decrees issued during the state of siege to fight drug trafficking and subversion? Does it believe they should become permanent rules, as the government is proposing, or quite the contrary, that they should be rejected? Just as it is happening in a regime that has an M-19 minister, does it view economic relaxation as good and protectionism as bad? Does it believe privatization is useful and state intervention a thing of the past? Does it accept cuts in social expenditures if that is the price to fight inflation? How does it feel about expropriations via administrative procedures? Recapping, is the M-19 a socialist party, as its proximity to Felipe Gonzalez, Francois Mitterand, Carlos Andres Perez and Socialist International might indicate? Or has its ties to the Gaviria administration made it go from the left to the so-called "new right? Has it gone from a revolutionary party to a neo-liberal one? Who does Antonio Navarro Wolff read now, Adam Smith or Karl Marx?

Those are the definitions the M-19 is bent on avoiding. Its political identity is a mystery that nobody can unravel. Navarro Wolff has found ambiguity to be its best ally. Tactic or fear? Does he fear that if he shows himself as he is, he may be left behind? Is he hiding his true intentions to attract supporters or overcome the resistance of some unsuspecting industrialists and politicians so he can win their trust and dominate them later? Hitler did just that with the big German capitalists to gain power. Krupp, Thyssen, Von Papen, and other industrialists dined and feted him in their mansions. They financed him in a underhandedly generous manner, thinking they were dealing with a political upstart and a mediocre little Austrian corporal who could be easily manipulated. We all know what happened to them in the end. The same thing has often happened in history. On many occasions, the one hunted is not the alleged prey but the arrogant yet naive hunter. Cuban and Chilean industrialists, Nicaraguans and Argentines have already learned their lesson. At any rate,

the M-19 has no electoral proposals. In the field of ideas, that movement has not produced or announced anything. One knows of its flirting with some Liberals and Conservatives who are anxious to gain notoriety to include them in its slate and garner votes. If this is its goal, what is the point of leaving the old parties and joining the M-19 to wind up voting for the same people with the same tricks, as Gaitan used to say.

Battle Reports for 28 Jul-4 Aug 91

PA0508212491

[Editorial Report] Bogota EL TIEMPO in Spanish on 31 July on page 8a carries a 300-word item reporting on clashes between the Army and members of the Simon Bolivar National Guerrilla Coordinating Board (CNGSB) in which four guerrillas were killed in Santander and Arauca Departments and six were captured in Cordoba Department. Libardo Garcia Paredes was killed in the first clash "when a column of the 9th Revolutionary Armed Forces of Colombia [FARC] guerrilla front was surprised while trying to blow up the Cano Limon-Covenas oil pipeline in the Arauquita jurisdiction."

The same report adds that two rebels known as "El Zorro" and "Lola" were killed "during a clash with the Army in the corregimiento of Sabaneta, Sabana de Torres jurisdiction, Santander Department." John Jairo Castaneda Mantilla of the 23d FARC Front was killed "during a clash with troops of Los Guanes Battalion in La Polvera corregimiento, Bolivar jurisdiction, in the southern part of Santander."

The report concludes by citing the 9th Brigade Command in Monteria, which states that "six members of the 18th FARC Front were captured after clashing with Army troops in Las Pailas, Alto Sinu region." The police seized a large amount of weapons, ammunition, fragmentation grenades, and documents.

Bogota Radio Cadena Nacional in Spanish at 1200 GMT on 4 August carries a 1-minute report stating that four policemen and one civilian were wounded during an attack by 9th FARC Front guerrillas on a police post "near the Cocorna Municipality park in eastern Medellin, Antioquia.

The same station carries another 1-minute report stating that "three policemen repelled an attack by 80 guerrillas in a region of southwestern Colombia on 3 August." A police spokesperson stated in Santa Fe de Bogota that the policemen prevented the guerrillas from attacking the Argelia Municipal Police Post in Cauca Department in the southwestern region of the country. The rebels, who were apparently members of a FARC front, fled after encountering fierce resistance from the policemen.

Bogota EL NUEVO SIGLO in Spanish on 1 August on page 10A carries three brief reports, of approximately 80 words each, on separate guerrilla attacks. The first one states that in Bogota "two guerrillas of the Jaime Pardo Leal column of the FARC were killed in clashes with Army troops in the rural zone of Gutierrez municipality, Cundinamarca Department." According to the official report, the police "seized two rifles, two kg of dynamite, primer-detonators, and police uniforms."

The second report states that in a new clash between troops of the Cartagena Battalion of the 1st Division and members of the "6 December" command of the ELN [Army of National Liberation] in the rural municipality of El Copey, Cesar, in Valledupar Department, the Army seized three grenades, cartridges of various calibers, and a field kit.

The third report states that troops of the Mobile Brigade No. 2 discovered an arms cache belonging to the "Companero Tomas" Command of the ELN in the rural zone of Caceres Municipality, Medellin, Antioquia. According to the official report "the Army" seized military equipment, including three submachineguns and five .22-caliber carbines."

Losses During 1991 Due to Rebel Attacks Reported

PA0408130591 Bogota EL NUEVO SIGLO in Spanish 31 Jul 91 pp 1,7A

[Text] The cries of protest by Atlantic Coast residents as the result of the Simon Bolivar National Guerrilla Coordinating Board [CNGSB] attacks are nothing compared to the loss figures provided by state security institutions and the nation's economic associations.

According to Medellin's IV Brigade intelligence services, the losses due to CNG terrorist actions amount to 292 billion pesos.

Of that 292 billion, 259 billion pesos are related to the petroleum sector, including the losses of the Colombian Petroleum Enterprise (Ecopetrol).

Ecopetrol spokesmen with whom EL NUEVO SIGLO has consulted in Bogota have said that, although the economic losses during the first six months of 1991 were high, more than in the previous years, these losses could be nearing 140 billion pesos. [sentence as published]

A large share of these losses are related to the Cano Limon-Covenas pipeline which, during the first half of 1991, sustained 40 attacks. These attacks represent a 96 billion barrel spill, which translates into a loss of almost $10 million for Ecopetrol.

Another sector hit hard by subversive action has been the energy sector. According to Interconexion Electrica (ISA), during the first six months of 1991, 123 interconnecting utility towers were dynamited. The Atlantic Coast was the region most affected by these actions and therefore had to support permanent power rationing that resulted in significant economic losses.

The nation lost, in that sector alone, 58 billion pesos, according to ISA.

The consequences of that series of terrorists actions is translated into four significant negative phenomena for the nation's economy: reduced investment; reduced royalties—according to Ecopetrol they did not receive $9 million; reduced exports; and curtailed exploration.

This last category could be more adverse for the nation than originally thought. At a time when foreign investors are looking at Colombia's petroleum prospects, the CNG actions only serve to alienate and discourage investment possibilities. An investment project such as Cusiana, although progressing well, risks not becoming a reality when it comes time for the ultimate consolidation.

Ecopetrol's situation is particularly noteworthy and a cause for concern: the company expects to obtain 180 billion pesos in profits this year, although, during the first half of 1991 it lost 140 billion pesos—half of 1 percent of the Gross National Product.

The economic consequences of the CNG terrorists actions were made public as the organization's delegates visited the country to report to their General Staff and to the front commanders on the ongoing dialogue with the government taking place in Caracas. These consequences were also made public when the organization's spokesmen, in a written message to the media, stated that they will not suspend their attacks against the nation's infrastructures. Meanwhile they termed as "unjustified" the daily protests being staged along the Atlantic Coast.

* 1991 Coffee Exports Down 25 Percent From 1990

91SM0402E Bogota EL TIEMPO in Spanish
24 Jun 91 p 5B

[Text] High inventories in consumer countries and increased sales by Brazil in recent months caused a 25-percent drop in 1991 exports of Colombian coffee compared to the first five months of 1990.

Latest figures from the National Federation of Coffee Growers show sales of 4.9 million 60-kg bags compared to the record 6.5 million bags in 1990.

Although the drop of 1.6 million bags is considerable, the 1991 figure is still higher than those for the first five months of 1988 and 1989, which were 4.2 million and 4.1 million respectively.

The fall in hard currency earnings through the Bank of the Republic showed a smaller drop. They totalled $604.6 million from January to May last year compared to $563.7 million this year for a decline of 6.8 percent.

Market behavior during the first five months indicates average monthly sales of 976,200 bags, a figure heavily influenced by March sales of only 676,000 bags.

If this trend continues, annual sales for 1991 will be in the 12-million-bag range. However, there is hope that sales will average 1 million bags a month during the rest of the year and end up at around 13 million bags. Sales for 1990 reached a record 14 million bags and averaged 1.2 million bags a month.

Figures on the annual coffee harvest show production slowing down at a lesser rate between 1 October, 1990, and 16 June, 1991. Exports for this period totalled 8.5 million bags, 15.8 percent fewer than the 10 million sold during the same period in the 1989-1990 coffee harvest year.

A breakdown by countries shows that Germany (F.R.) is the largest buyer of Colombian coffee. So far in this coffee harvest year, its purchases come to 2.9 million bags. This represents a drop of 16.4 percent below the 3.4 million bags bought during the same period a year before.

The second largest buyer, the United States, maintained a purchasing volume of about 1.9 million bags.

Other shrinking markets were Japan, whose purchases went from 852,000 bags to 511,000 bags over the same two periods for a drop of 40 percent. France, which is not a major consumer, reduced its buying to 200,000 bags compared to 287,000 a year earlier.

Although its volume was low, Austria registered the highest increase in coffee purchases from Colombia. It bought 124,000 bags this year compared to 60,000 over the same period a year ago.

Growers look forward to higher figures in coming months in order to reach their goal of exporting 13 million bags this year and stave off a further decline in hard currency earnings from coffee.

January-May Coffee Exports
(By 60-kilogram bags)

Month	1990	1991
January	1,272,000	1,057,000
February	1,254,000	1,004,000
March	1,329,000	676,000
April	1,514,000	1,209,000
May	1,159,000	950,000
Total	6,528,000	4,896,000

Source: National Federation of Coffee Growers

* Consultants To Study Foreign Trade Bank Role

91SM0402C Bogota SEMANA in Spanish
11 Jun 91 p 52

[Text] Law 7 of 1991 set up the new foreign trade system and created the Foreign Trade Bank which in coming months will assume all the functions, rights, and obligations of Proexpo [Exports Promotion Fund]. The Bank is supposed to be the engine that drives the process of opening the economy.

The first question raised by its creation is what role will it play. To get an answer the government hired outside

consulting help from two specialized firms. First Washington Associates of the United States will conduct a complete analysis of Proexpo's present financial situation, the future of the Foreign Trade Bank, export insurance, and government export guarantees. Ireland's Trade Development Institute has agreed to do a study focused specifically export promotion. These consulting activities are going forward as part of an application for credit from the World Bank which has financed the studies on a Japanese line of resources to stimulate exports from the Third World.

The main purpose of the study is to decide what services the Foreign Trade Bank ought to offer and to try to get the private sector to offer complementary services even if this means providing incentives. The study also seeks to define exporters' basic needs accurately. This has led to interviews with many exporters in an effort to understand clearly the problems they run into during each foreign sale. Researchers will compare this data with figures from other countries to find out how Colombia stacks up in the global context. Carlos Caballero Argaez, who as director of Proexpo is in charge of the transition process, said the objective is "to have exports end up making a great quantitative and qualitative leap."

One of the first problems the consultants have come up against is financing, and this is the main uncertainty on the road to the future. In the final analysis, if the Foreign Trade Bank is to be a major player in the industrial retooling needed to open up the economy, it must be clear where its resources will come from. Caballero Argaez feels sure this is a manageable issue. "Proexpo now has $500 million in capital of which 85 percent is in short-term credits granted through the financial system. Its portfolio is quite healthy. The part invested in Carbacol [Colombian Coal, Inc.], although a concern to some, is totally provided for. However, the dollar value of its capital stagnated because virtually all of the 6 percent import surtax which Proexpo collects and which ought to increase goes to paying the Cert [Tax Reimbursement Certificate] to exporters. This tends to be a recurring phenomenon because Colombia's imports have been growing more slowly than its exports. The end result is that Proexpo has steadily dwindling resources from which to provide credit for Colombian exporters. This makes a change in the sources of financing indispensable."

Efforts to deal with this problem center on winning World Bank endorsement for the Foreign Trade Bank. This would enhance the new bank's international credibility and would pave the way for future ventures into international financial markets. The World Bank application asks for $300 million in credits to be disbursed over a four-year period beginning in late 1992. Also pending is a request for a similar sum in credits from BID [Inter-American Development Bank].

Meanwhile, the Foreign Trade Bank is asking CAF [Andean Development Corporation] for a credit line of $40 million to meet its immediate needs. This sum would be used to underwrite exports and cover this year's shortfall between collections of the import surtax and disbursements to meet Proexpo's Cert payments.

Finally, the bank is due to receive $200 million of the recently agreed upon Hercules credits: $100 in the second half of 1991 and another $100 million in the first half of 1992.

These four credits would total $850 million, and this ought to be enough to meet the bank's needs over the next two or three years. However, there will be a need to obtain additional resources in the future. This should not be hard for a bank with $500 million in capital. Sound banking practices would enable it to control resources valued at 10 times this amount, or $5 billion.

New sources of financing should go hand in hand with increased profitability. The foreign consultants have run up against the fact that the current annual return on capital is 10 percent. To improve profitability, interest rates must rise, and resource allocation must improve. Thus the problem is more a matter of who has access to credit than of subsidized credit.

On the promotion front, the new bank is concentrating much of its effort on making a rapid impact. To date specialists in this area have spent their time preparing for industrial shows. However, no one has ever done an evaluation of export promotions. "Nobody has sat down and asked if we are really promoting the right things and, if we are, are we promoting them well," Caballero says. The consulting project ought to show how promotion can open production bottlenecks or if there is a need to look to new sectors in order to speed export growth.

Early results should be in by 15 July. They will establish the broad guidelines for initial analysis. The following two months will see the drafting of the decrees needed to put the extraordinary powers granted under Law 7 of 1991 into effect. These, according to Caballero, are the measures that will "open the way to Proexpo's second stage."

Peru

Bolivian General Praises Disarmament Proposal

PY0308175891 Lima LA REPUBLICA in Spanish 25 Jul 91 p 2

[Text] On 24 July, Bolivian Army Commander in Chief General Guido Sandoval Zambrano praised the call made by President Fujimori in Mexico on the need for Latin American countries to renounce the arms race.

Arriving in Lima for a one-week official visit, Sandoval said: "This is an excellent idea that we Bolivian military men fully support."

He added: "We, the military men, are aware that the current situation demands great efforts to reach the development...."

He said: "We military men have to make efforts in support of development."

Sandoval arrived at Air Group No. 8 aboard a light military aircraft. He was welcomed by Defense Minister General Jorge Torres Aciego and Army Commander General Pedro Villanueva.

Sandoval is scheduled to visit several military bases and attend ceremonies to celebrate Peruvian independence.

In brief remarks to the press, Sandoval said the antidrug accord signed with the United States is rendering good results in the effort to eradicate drug trafficking.

He added that this accord has helped train the first antidrug battalion, and the creation of other battalions is under way.

These battalions are made up of military and police personnel specially trained to fight drug trafficking in areas of intelligence and in repressive tactics and strategies.

Sandoval said the Bolivian Armed Forces have fully agreed with the terms of the accord signed with the United States. He denied any attempt to protest this agreement.

Sandoval said: "The Bolivian Air Force and Navy are already participating in the antidrug struggle, and the Army is awaiting an order from the president of the Republic to join this task."

Former President Discusses BCCI Scandal

PA0608155091 Lima Panamericana Television Network in Spanish 1210 GMT 6 Aug 91

[Statement to newsmen by former Peruvian President Alan Garcia concerning the Bank of Credit and Commerce International on 5 August; place not specified—recorded]

[Text] I am here to face up to things. I am deeply convinced that this is a new political scandal, and as false as the previous one. I am not afraid of any investigation and I can reiterate: He who has a clear conscience has nothing to fear. This BCCI [Bank of Credit and Commerce International] political scandal about the bank's bankruptcy around the world has been used here in Peru as a new scandal to try to cover up the failure of the previous lies by the group headed by Mr. Olivera. I want to say what the country already knows about this.

First, the handling of deposits of those reserves in certain banks throughout the world is the exclusive responsibility of the board of directors of the Reserve Bank and the officials who work in the Reserve Bank. The presidency has nothing to do with the disposition or handling of those funds.

Second—and it is very important for the country to know this—if Peru deposited money in the BCCI in 1986, all of those deposits have been withdrawn. Not a single cent has been lost. Those deposits have earned the normal interest they would have earned in any bank. Furthermore, Peruvian banks and Peruvian businesses benefited from lines of credit granted by the famous BCCI. In 1986 nobody had any doubts about the BCCI. Important Peruvian personalities who have nothing to do with the Aprista Party of Peru gave the appropriate operating authorization to the former board of directors of the former administration. A senator from another important political party represented the BCCI. A current ambassador in the United States had to certify as counselor that the funds had been deposited well. The deposit in itself, therefore, did not have and does not have—I am convinced of this—anything wrongful about it. I am convinced of this, despite the fact that the presidency neither now nor before my administration knew that the deposits had been made.

Third, there have been reports of an official being bribed. I cannot believe this; but if it is true, I believe that all pertinent investigations should be made. I do want to make it clear, however, that in no case does the statement by the U.S. prosecutor connect me with this bribe. The information has been manipulated here, as happened three months ago with distorted wire service reports and dispatches, to say that the prosecutor claimed that the president knew about it. What did the prosecutor say? That the president knew about the deposits. Naturally, both Mr. Belaunde as well as the current president of the republic have to know about it because the Central Bank issues an informative memorandum each day concerning the state of the reserves, purchases and sales, places where they are sold, and how the Peruvian reserves are deposited.

The president, therefore, did know—as the current president must know—about the deposits. This does not mean that he knew about a bribe, assuming one existed. And if there was a bribe, it is high time for it to be investigated and for anyone involved to be penalized, removed or imprisoned. But what does this have to do with the presidency, much less why has a U.S. prosecutor been attributed as saying that President Garcia knew about the bribe? He has categorically denied it. Here I am. I never left Peru. I will not leave Peru, and here I am. I have come to say that I am not afraid of any investigation. I can tell my Aprista friends, especially, that they need not have any doubts and that I am here precisely because I have a clear conscience. It is merely a scandal to cover up the scandal of the lies that were uncovered over the past months.

Petroleum Workers Join Teachers' Strike

PA0708022691 Paris AFP in Spanish 0319 GMT 6 Aug 91

[Text] Lima, 5 Aug (AFP)—Approximately 20,000 petroleum sector workers will stage on 6 August an indefinite strike to demand salary increases. This action, warned a labor union spokesman on 5 August, will only aggravate the still unresolved labor conflicts, such as the extended three-month strike by 260,000 teachers.

The National Federation of Petroleum Workers of Peru (FNTPP) [Federacion Nacional de Trabajadores Petroleros del Peru] strike will have an adverse effect on

petroleum production and will trigger a fuel shortage that in turn will hurt the nation's economy, labor leader Juan Luna pointed out.

Luna noted that the strike will halt all areas of production, refining, and marketing of the companies Petro-Peru, Occidental, Petroservis, and Petromar.

Luna also said that the strike is aimed at getting the government's attention so it will assume its responsibility in the current financial crisis of the state run petroleum company Petro- Peru, whose annual losses total $150 million.

The teachers—who have staged the longest strike, almost three months, demanding salary increases—agreed to continue with the indefinite strike on a national level. This decision was made by the teachers during a stormy assembly held on 4 August, during which gun shots were heard, but apparently no one was hurt.

Jose Ramos, top leader of the Sole Trade Union of Education Workers (SUTEP), said that the teachers' strike will continue "because the government did not comply with its commitment to issue salary and gratuity checks for July."

A large sector of the teachers' union favored suspending the strike if the Education Minister Oscar de la Puente agrees to pay their July salary and make good his proposal of salary increases.

The Education Ministry's proposal to the teachers calls for an average monthly salary of $131 to $171.

In Lima, the union headquarters where teacher's union leaders meet was attacked by unidentified persons on 4 August with gun shots and rocks.

Nevertheless, the teachers accused the attackers of being infiltrated Shinning Path members.

In an attempt to counteract the teachers' strike, which affects approximately 8 million school children who risk losing the school year that ends in December, classes have been transmitted over radio and television for the past two weeks.

Authorities Claim 47 Guerrillas Die in Clashes

PA0708041691 Mexico City NOTIMEX in Spanish 2053 GMT 6 Aug 91

[Excerpts] Lima, 6 Aug (NOTIMEX)—Authorities reported today that as a result of recent clashes between the army and Shining Path rebels in various parts of Peru, at least 47 guerrillas have died.

According to the official report, seven peasants and two soldiers also died in those clashes. [passage omitted]

In Ayacucho Department, 580 km southeast of the capital, Army elements and members of Huanta's self-defense "Peasant Patrols" clashed for six hours with approximately 100 Shining Path rebels.

Yesterday, according to an official report, members of the rebel group entered the rural community of Mosoccllaccta, 80 km north of Huanta, and shot three peasants to death.

The report indicates that the rebels convened the townspeople in the town's main square, held a "people's trial," and afterward executed the three peasants because, according to them, the three "collaborated" with the Armed Forces.

This is the second Shining Path attack on Mosoccllaccta. The first one took place in July 1990. Twenty peasants died as a result of that attack.

* APRA Infighting, National Assembly Discussed

91SM0410A Lima CARETAS in Spanish 8 Jul 91 p 16

[Text] Despite the fact that top APRA [American Popular Revolutionary Alliance] leaders want to make it appear that their 17th National Congress in August will not mark any intensification of the struggle between Alan Garcia Perez (AGP) and Alva Castro (LAC), inasmuch as it is a doctrinary and statutory assembly, each in his own way is surreptitiously weaving his own strategies in order to secure the presidential nomination in 1995.

As one would expect and in accordance with custom, no one says so publicly. Alva Castro confesses to those close to him that he does not care to be re-elected to the office of secretary general, and the former president has gone abroad in a move that might be interpreted as an act of defiance or lack of interest in the coming event.

Alan Garcia has begun to move his pieces. Antonio Palomino, national secretary for discipline, has just condemned Victor Lopez Garcia for his bad tactics during his sojourn with Popular Cooperation, even reportedly going so far as to ask for his expulsion. All of which is for the purpose of hurting Alva Castro, inasmuch as Lopez is one of his strong men and on the congress's organizing committee. Another leader who at one point fell out of favor was David Tejada, former minister of health and a close aide to the former president. At a meeting of the CEN [National Executive Committee] two weeks ago Sunday, he was harshly criticized by Alva Castro, who insinuated that he was working for Alan Garcia. Tejada resigned from the chairmanship of the congress's organizing committee. On Tuesday last, LAC asked Tejada in a letter to forgive him and to return to his post. Gilmer Calderon, Luis Alvarado Contreras, and Felix Quispe were the bearers of the missive. Tejada responded on Friday: He could come back, but on certain conditions, including the fact that he be allowed to act with complete freedom and authority and sufficient economic support. Alva Castro apparently centralizes financial decisions totally.

The congress will not pick the new CEN, but there are major changes in the way in which it will be elected in the future and, in addition, a split is proposed between the expanded and executive council, the former having

50 members and the latter nine. How this is finally decided will have a decisive effect on the two rivals.

AGP's strategy has consisted in launching several precandidacies: the historic Armando Villanueva, Abel Salinas, and Mercedes Cabanillas. However, not even the "Alanists" are unanimous in their opinions. Salinas and Meche Cabanillas confront one another in the Economic Bicameral and fight to outdo one another whenever the opportunity presents itself. Another name that has begun to be heard in Alanist ranks is that of Hector Valer, a rank-and-file member with strong backing among rural people. Under AGP's government, he served as executive director of the National Institute for the Development of Peasant Communities (INDEC).

LAC's strategy is to continue tying up the party structure. He has toured the country and hopes the vast majority of the delegates will be more permeable to his suggestions. Where he hopes to obtain the greatest yields is on the burning issue of the analysis of AGP's administration. It would not be unlikely for the congress to increase the number of candidates for expulsion for poor tactics in the 1985-1990 administration. Finally, via the delegates, he would accomplish that which he was unable to do as secretary general because it would be clearly seen that, rather than being bent on a moralizing endeavor, he was engaging in a certain punitive opportunism.

Alva Castro could also find an advantage on the committee entrusted with the task of taking a census and moving toward a purge of members. That committee is headed by Nicanor Mujica and comprised of Enrique Rivero Velez and Luis "Cachito" Bedoya, among others. It would be a matter of eliminating functional types and moving toward a single national model. In this way, one would avoid categories based on professions which allowed the entry, without knowledge of the CEN, of such personages as Daniel Nunez, former president of Petroperu [State Petroleum Agency], who has now fled to Europe; Hernan Cotillo, former rector of the Villarreal; Juan Coronado, and Manuel Angel del Pomar, who were kicked out of the party.

* Court Case on Uchuraccay Incident Dismissed

91SM0410B Lima EL NACIONAL in Spanish
5 Jul 91 p 3

[Text] The presiding judge of the 27th Court of Preliminary Investigation, Benjamin Carlos Enriquez Colfer, has dismissed criminal proceedings against EP [Peruvian Army] General Roberto Clemente Noel Moral, on trial for obstructing the course of legal investigations in the notorous Uchuraccay incident and about to be sentenced by that court.

The court's ruling is the result of a resolution issued by the judge in question declaring that there are in fact grounds for an exception as adduced by one of the co-defendants, at the precise time when public opinion is awaiting a final verdict on the case.

The charge contained in the old criminal code was fundamentally based on the fact of having interfered with judicial proceedings during investigations relating to the murder of eight journalists and a guide in the Andean locality of Uchuraccay on 26 January 1983.

Noel Moral was at the time commanding officer of the emergency zone in Ayacucho and it was as a result of orders from his office that inquiries initiated by local legal authorities were halted.

Co-defendants with Noel were Investigative Police (PIP) officials Victor Pizarro de los Santos, Juan Rodriguez Soria, Virgilio Ramirez Carrasco, and Hugo Vidal Ulloa, Civil Guard officials Maximo Chavez Rivero and Novato Soto Barrera, and Lieutenant Ismael Barco Reid of the Peruvian Navy.

Legal sources indicate that it was former Peruvian Investigative Police Captain Hugo Vidal Ulloa who presented the petition for exception later accepted by the judge.

As soon as the legal resolution was announced, the prosecutor in charge of the case for the Judicial Branch, Hilda Cordova, submitted an appeal to the Superior Court of Lima.

She argued in the appeal that the exception should be nullified because the trial had already proceeded to the point where a final verdict was about to be issued.

* Regional President Criticizes Fujimori, MRTA

91SM0410C Lima EL NACIONAL in Spanish
8 Jul 91 p 9

[Excerpt] La Libertad is a region hounded by separatist politicians who have succeeded in distancing San Martin with the help of the Tupac Amaru Revolutionary Movement (MRTA) and the consent of the Executive Branch, headed by President Alberto Fujimori. This is the claim made here by the head of the Victor Raul Haya de la Torre regional government, Juan de Dios Cubas Cava, who reaffirmed his decision to summon the Trujillo people to rise up in the face of the threatened violation of the autonomy of the Victor Raul Haya de la Torre region. At the same time, he recalled that La Libertad residents have on various occasions resorted to revolution to put their struggle before society.

He blamed President Fujimori for the situation affecting the region, solely motivated by his desire to prevent Apristas [members of the American Popular Revolutionary Alliance (APRA)] from controlling it. "Alberto Fujimori has failed to keep his campaign promises," Cubas Vaca chided.

Police and Army in the Wings

Supported by a group of ten political parties, the MRTA has initiated a campaign of intimidation in San Martin aimed at regional authorities appointed and installed as mayors, governors, and two regional vice presidents, who were forced to resign.

Cubas Cava said that Rioja Mayor Torrejon, appointed as vice president of the regional government, had resigned from that post as a result of death threats she had received. The National Police and Army did nothing to prevent the situation, but rather, "remained in the wings" on the regional problem.

He then condemned the fact that the government, acting unconstitutionally, had summoned a popular referendum that is the sole province of the regional government. However, despite results that split the region, the autonomous region of San Martin has still not been set up. Instead, they have reinstated the old, bureaucratic Cordesan [expansion not given] for the purpose of appointing friends and relatives to important posts. He added that those who once demanded the autonomous region of San Martin, supported by the MRTA, which carried out kidnappings and issued death threats, are now engaged in a "treasonous silent treatment." No longer are they asking that the law be enforced, but rather, accede to the reinstallation of Cordesan.

Promises

In another precise statement, Cubas Cava condemned the Central Government's attempt to paralyze the regional process by "throwing an old bone to the regions," postponing the actual transfer of budgetary allocations until August.

"What Fujimori has to understand is that he is not an emperor and that Peru is not his empire. Peru is a representative, democratic, decentralized government," Cubas Cava emphasized, reiterating the right to revolt in order to defend the regional code of laws.

Parliamentary Immunity

The president of La Libertad region made these statements at a ceremony for the unveiling of a bust of Victor Raul Haya de la Torre in the main courtyard of the famous Casa Ganoza, seat of the regional government.

Only minutes before, on the occasion of the first anniversary of the installation of the Regional Assembly, Cubas Cava also demanded the right to legal immunity for members of the Regional Assembly, "a power inherent in their status as legislators and a way in which they might exercise their full administrative, executive, and legislative functions."

Addressing the presiding magistrate of the La Libertad Superior Court of Justice, Diomedes Rosario Peralta, he said that if immunity is not sanctioned as a legal right, then regional deputies run the risk of unjust imprisonment.

He maintained that the routine administrative actions of regional parliamentarians expose them to litigation, confrontation, and discrepancy and that if this situation is not resolved, "their popular mandate will be very limited." [passage omitted]

* Leftist 'Revolutionary Forces' Hold Congress

91SM0410D Lima CAMBIO in Spanish 27 Jun 91 p 10

[Text] On the heels of three days of evaluations and political discussions, the Popular Democratic Unity (UDP) concluded its second national congress in Lima with a firm determination to correct its work methods and approaches and a reaffirmation of the process of unity with other revolutionary forces.

The political event which brought together over 200 delegates from throughout the country began on Friday, 21 June, at the Civic Center Auditorium, with an enormous audience of guests, members, and the general public.

The opening session paid emotional homage to all the martyrs of the political organization who either died or "disappeared" under different circumstances while doing their political duty. Mention was also made of Marcial Cumapa, Carlos Barnett, Javier Alarcon, Luis Aguilar Romani, Carmela Castro Pozo, Francisco Antonio Osores, and others.

Jorge Hurtado Pozo, acting United Left (IU) coordinator, expressed the leftist front's expectation that the UDP congress would take up important issues such as leftist unity, construction of the Anti-Imperialist Front, and total renewal of leftist parties.

Expressing the same hope, SUTEP [Trade Union of Education Workers] Secretary General Jose Ramos Bosmediano expressed the people's feeling of unity as a new movement toward unity. "The current circumstances are bringing social activists together in the streets and prisons," he said, adding that the mistakes of many years are fortunately bearing fruit by creating a favorable base of opinion for unity of the people and the left.

Likewise, the confirmed president of the People's Revolutionary Bloc (BPR), Yehude Simon Munaro, greeted delegates to the congress and reaffirmed their desire and the desire of the rank and file to work for unity, while at the same time confirming the ideological sources of their political movement: Marxist thought, the true history of Peru, and Christian morals.

Delivering the keynote address, Cecilia Oviedo, reelected as secretary general of the movement, made a thorough evaluation of the country's political situation and the Peruvian left. She stated that in our country, it is not socialism that is in a crisis, but rather, capitalism, with its comcommitant hunger and dirty war.

She added that this second congress of the UDP was not merely an organic ritual, but rather, a response to the need to establish guidelines on the current situation. Harshly criticizing the United Left, she said that political front had allowed itself to be won over by an election strategy, adapting to the bourgeois system and thus moving away from the masses.

Oviedo maintained that the UDP's main role would be construction of the people's government and self-defense

of the masses. She pointed out past errors, such as that of allowing bureaucracy to gain control, resulting from taking the easy path, and apathy, behaviors harshly criticized during the congress.

At the event itself, delegates to the congress recognized the need to fight for socialism, which has now turned into a basically anti-imperialist struggle in which the use of revolutionary violence cannot be ruled out.

They totally discarded the possibility of turning the political front into an election space, betting rather on the forging of a new mass movement, initially with the support of the People's Revolutionary Bloc, moving on to assert unity with other leftist forces.

The assembly elected officers to some 26 posts and by majority vote confirmed the reelection of Cecilia Oviedo as secretary general of the UDP.

Uruguay

Icelandic President Arrives for Official Visit

PY0508191691 Madrid EFE in Spanish 1811 GMT 5 Aug 91

[Excerpt] Montevideo, 5 Aug (EFE)—Icelandic President Vigdis Finnbogadottir today begins a 5-day official visit to Uruguay. While here she will meet with Uruguayan President Luis Alberto Lacalle and other authorities seeking to strengthen political, economic, and cultural ties between the two countries.

Official sources have reported that the president will arrive tonight at the Carrasco International Airport where she will be met by a diplomatic delegation. Tomorrow she will travel to Punta del Este, the country's main seaside resort located 150 km east of Montevideo.

On 7 August the Icelandic chief of state will meet with Uruguayan Vice President Gonzalo Aguirre, who is in charge of the presidency; she will visit several art galleries and the Metropolitan Cathedral; and she will open an exhibition of Nordic art at the Visual Arts Museum of Montevideo.

On 8 August she will meet with Uruguayan President Luis Alberto Lacalle, who will by that time have returned from Bolivia, where he is on an official visit. [passage omitted]

Army Plans To Build, Export Military Equipment

PY0508160491 Montevideo Radio El Espectador Network in Spanish 1000 GMT 5 Aug 91

[Text] The Uruguayan Army is planning to produce military equipment. The Army Science and Technology Committee has been working quietly for over the past year on the preliminary stages of this ambitious plan.

The different work groups began meeting a short time ago. The program will possibly turn the Armed Forces into one of the country's most advanced productive centers. An advisory committee that seeks to enhance the army's technical ability is investigating the possibility of producing computer programs, electronic equipment, and sights for arms and rockets. The committee's full title is the Army Science and Technology Committee [Cosite] [Comision de Ciencia y Tchnologia del Ejercito]. It is presided over by General Julio Ruggiero and is managed by its secretary, Colonel Walter Cibils.

The committee was created in August 1990. The work groups only began operating recently. Cosite is not considering creating an army industry; it is evaluating if the various public and private research centers in the country can develop cheaper military defense equipment. A case in point is the Uruguayan Technology Laboratory (Lapi) which recently advised the army on a program to purchase uniforms. The program was dropped after Lapi produced a study on the subject.

The army committee is being advised by Dr. Jorge Servian, director of science and technology at the Education and Culture Ministry. The committee is studying the equipment being used by other armies to assess the possibility of producing it here and exporting it.

The committee is studying 13 areas, including the feasibility of producing military rockets. Reliable sources told the newspaper LA MANANA, which published the exclusive report, that the studies have just begun and the possibility has been under consideration for the past few weeks. The Uruguayan electronic complex could develop different components for the army. A recent congress on military technology recommended that Latin American countries develop their own war technology. The progressive reduction of the size of armies and the replacement of traditional models based on numbers, makes the development of sophisticated equipment necessary.

The committee will, according to the report, recommend changes in military training programs, seeking to enhance the technical and scientific training of officers.

Venezuela

Energy Ministry Announces Fuel Price Increases

PA0308042191 Caracas Venezolana de Television Network in Spanish 0000 GMT 2 Aug 91

[Report by Marbella Molina]

[Text] Energy and Mines Minister Celestino Armas announced that beginning 3 August, gasoline prices will increase 0.25 bolivares a liter each month. This executive branch decision establishes a fuel consumption tax that will yield 8 billion bolivares by the end of 1991.

Energy and Mines Minister Celestino Armas, accompanied by the Cordiplan [Office of Coordination and Planning], transport and communications, and agriculture and livestock ministers, announced the decision. According to the original schedule released months ago, gasoline price increases were estimated at about 0.15

bolivares. The ministry's decision to increase the tax instead to 0.25 bolivares is to assign additional money to the rural investment fund and road maintenance, so as to substantially reduce inflation levels—and thus, the cost of food—and improve transportation costs.

In addition to higher gasoline prices, there will be higher prices for gas oil, kerosene, and a series of finished lubricants. Prices for domestic cooking and pipeline gas will remain unchanged. Celestino Armas explained the domestic fuel tax:

[Begin Armas recording] The Finance Ministry will issue a resolution to announce progressive monthly duty adjustments, effective 1 August until 31 December 1992. Thus, fifty percent of the income earned from these duties, which represents the equivalent of the consumption tax, will serve to set the fuel prices. [end recording]

Armas' cabinet colleagues then spoke. Each one confirmed the tax nature of this decision. Cordiplan Minister Miguel Rodriguez argued all along that despite the increase in fuel prices in Venezuela, these prices are still well below the prices paid in Latin America and Europe.

[Begin Rodriguez recording] It is very important to clarify that this tax has nothing to do with international gasoline prices. We are not establishing policies to raise our gasoline prices to international price standards. As you well know, gasoline in other countries is very costly because most governments place a heavy tax on gasoline. That is why gasoline prices in Europe, for example, can be as high as 100 bolivares a liter. This has nothing to do with the policies we are establishing. [end recording]

The transport and communications minister announced that domestic air fares will be adjusted due to increases in aviation fuel prices. Fares for collective transport will not be affected. Collective transportation is currently managed by the mayors' office, but there is still some doubt among the drivers as to the possible effect of fuel price increases.

Venezuelan Petroleum and the Energy and Mines Ministry's internal marketing directorate will adjust the octane rates at the fuel pumps on 3 August. This will automatically make Venezuelan consumers pay the increased fuel prices—ie. premium 4.90 bolivares a liter and regular 4.70 bolivares a liter.

Guyana

Hoyte Urges Party to Victory in Elections

FL0208223791 Bridgetown CANA in English 2046 GMT 2 Aug 91

[Text] Georgetown, Guyana, Aug 2, CANA—President Desmond Hoyte, saying a coming general election will decide Guyana's fate, on Friday urged his ruling People's National Congress (PNC) to work to return the party to power to carry on current economic policies.

"Its results will decide definitively the fate of our country and determine whether Guyana will continue to evolve and develop in an orderly, peaceful fashion, or whether it will slide backwards and stagnate, in a milieu of conflict, distrust, fear, and ideological confusion," Hoyte said.

His two-hour address to the PNC's ninth biennial congress made no mention of a rumoured PNC leadership struggle with Prime Minister Hamilton Green. Green at Thursday's business session appeared to embrace united support for Hoyte.

Elections due by yearend are expected to be the most open in decades after wide-ranging political and economic reforms undertaken by Hoyte in the past five years in response to economic decline and opposition claims of electoral irregularities. Hoyte told his party supporters that it is important that the PNC win the election.

"Our party offers the only acceptable set of programmes and policies which would allow our country to develop in conditions of social harmony and tranquility into a viable, modern democratic state—a state in which all our people, no matter what their ethnic origin—are treated with respect, equality, and dignity.

"This election will be held in circumstances of a new political dispensation that provides more space and flexibility for political action and increased scope for innovation and creativity in the political life of our country," he said.

Hoyte told more than 2,400 congress delegates that the PNC, in power since 1964, is the only party here with a comprehensive policy, a clear direction, a firm purpose, and an unclouded vision. He added that the party is publicly and unreservedly committed to the concept of a democratic society which accommodates individual initiative; free enterprise; a proliferation, clash, and unfettered interplay of ideas; and enshrines a moral dimension of equity, humaneness, and compassion.

"We have already begun to implement those policies and programmes that will both propel and undergird the progress of our country into a realm of sustained prosperity within a framework of democracy and social justice."

He attributed some economic recovery here to PNC policies and programmes and said he is confident of a PNC victory in coming elections because of the party's work to revolutionise the society to meet current needs and future challenges. The economy should grow by almost 4 per cent this year after years of zero or negative growth, there is unprecedented investment in the country, and the central bank has the highest level of foreign exchange reserves since 1975, Hoyte said.

He added that a reelected PNC administration will spend over Guy 8 billion dollars (one Guyana dollar = 0.8 U.S. cents) to build and rehabilitate roads, schools, health facilities, and drainage and irrigation. Elections of

party executives takes place Saturday, with results expected on Sunday, the last day of the congress.

GUARD Drafts Program as Election Platform

FL0208131191 Bridgetown CANA in English 1212 GMT 2 Aug 91

[Text] Georgetown, Guyana, Aug 2, CANA—The Guyanese Action for Reform and Democracy (GUARD), a major critic of the Desmond Hoyte administration, says it has completed a draft of the two-year interim government programme on which it will base an elections campaign.

N.K. Gopaul, head of GUARD's working group, told CANA the draft will go before a convention in Georgetown for ratification. Gopaul, a former trade unionist, said that the names of GUARD's candidates for elections expected later this year will also be made public at the convention, which might be held in mid-August.

The two-year programme has provisions for a new Guyana Constitution, labour, foreign, sports, and racial security policies, economic transformation, and general policies on health and education.

"We intend to amend certain aspects of the Constitution and we hope to do that within two to three months upon assuming office if we are elected to government," Gopaul reported.

"The programme is basically for two years and we intend to see as much of it through, or at least lay the foundation for genuine economic recovery, and put in train the areas we are campaigning for."

He added: "....What we intend to do is to allow the electorate, after this programme would have been put in place, and after the two years would have elapsed, to elect a new government based on genuine democracy." He criticised the Desmond Hoyte administration as a government "foisted on the people," and said that GUARD considers it a semi-dictatorship.

"We anticipate with a two-year programme that the electorate will understand that very much and be sympathetic with it, and allow such a programme to go through without much difficulty or the type of protests you are likely to have in a full five-year term," he said. "The electorate, having been told what we intend to do, are likely to be sympathetic to our progamme rather than be sympathetic to a government going in for a five-year period without offering much to the people."

GUARD, launched with strong church support two years ago, began holding popular rallies in Georgetown, which attracted several top business and church leaders. The working group, announced nearly four month ago, is believed to be the spawning of the Civic Movement's political arm, but GUARD leaders deny this.

'Substantial' Increase in Wages Promised

FL0208140391 Bridgetown CANA in English 1221 GMT 2 Aug 91

[Text] Georgetown, Guyana, Aug 2, CANA—Guyanese trade union leaders say they expect Finance Minister Carl Greenidge to detail new pay hikes for public sector workers next week. The government, being pressed by unions to increase the mimimum wage almost five times, has promised workers a substantial increase in the third quarter of this year.

At a meeting with Greenidge Monday in Georgetown, the unions agreed to give the administration one week to "document some proposals." Sources close to the talks said the finance minister may present the increase in writing to the twelve labour leaders.

Labour leaders from under the Trades Union Congress (TUC) umbrella and its dissident arm, the Federation of Independent Trade Unions of Guyana (FITUG), have warned of more marches, or industrial action if the talks yield unsatisfactory results.

The unions last week staged a march through city streets, complaining of the high cost of living and transportation, poor wages, inadequate meal allowances, and the adverse effects Guyana's cambio system is having on workers' living standards.